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ABSTRACT

A hearing was held to consider the Act for Better Child Care Services of 1989, also known as the ABC Bill. Testimony was received from parents, project directors, program Managers, academics, research directors, corporate officers, the Governors of Vermont and Maryland, the Lieutenant Governor of Wisconsin, and the U.S. Senators of Maryland. Content concerned the roles of business and state and federal governments in day care, support of and need for the ABC Bill, state initiatives, funding options, major policy obstacles that prevent consensus on child care legislation, Senator Wilson's Kids in Daycare Services Act (KIDS), child abuse and neglect by licensed child caregivers, costs of high quality programs, caregivers' views on the needs of family day care providers, the impact of high quality care on children's development, corporate experience in facilitating high quality care, the U.S. Army's standards for day care services, liability insurance protection, the relationship of licensure to the incidence of child abuse in day care settings, and parental preference for various types of services. Included in the hearing report is a summary of major provisions of the Wilson KIDS bill. (RH)

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ACT FOR BETTER CHILD CARE SERVICES OF 1989

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HEARING

BEFORE THE

SUBCOMMITTEE ON
CHILDREN, FAMILY, DRUGS AND ALCOHOLISM

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

S. 5

TO PROVIDE FOR A FEDERAL PROGRAM FOR THE IMPROVEMENT OF CHILD CARE, AND FOR OTHER PURPOSES

JANUARY 24, 1989

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ACT FOR BETTER CHILD CARE SERVICES OF 1989

TUESDAY, JANUARY 24, 1989

U.S. Senate,
Subcommittee on Children, Family,
Drugs and Alcoholism,
Committee on Labor and Human Resources,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:20 a.m., in Room SD-430, Dirksen Senate Office Building, Senator Christopher J. Dodd (chairman of the subcommittee) presiding.

Present: Senators Kennedy, Dodd, Harkin, Mikulski, Hatch, Coats, Kassebaum and Jeffords.

OPENING STATEMENT OF SENATOR DODD

Senator Dodd. The Subcommittee on Children, Family, Drugs and Alcoholism will come to order.

First of all, I would like to welcome you all to the Senate Subcommittee on Children and the first child care hearing of the 101st Congress.

I would like to extend a very special welcome this morning to the new members of the Labor Committee, especially Senator Dan Coats of Indiana, who is the new ranking minority member of the Subcommittee on Children. Senator Coats is well-known for his interest and commitment to children and family issues, and I look forward to working with him closely as the 101st Congress gets under way.

Just shy of four months ago, as I looked down the barrel of a nine-day filibuster of the children's package on the Senate Floor, I said "never in the history of American politics has there been a constituency so popular—but with so little political clout—as the American family." Never in my political career have I been as eager to prove myself wrong as I am today. We are now four months older and, I hope, four months wiser as well.

The American family, the children of this Nation, were just dealt about as good a political hand as any poker player could want. We have a new President who wants a "kinder and gentler Nation" and is willing to advance money to make it happen. We have a new leadership in the Senate which is committed to enacting a child care bill this year. And right here in the Labor Committee we have an opportunity for the kind of bipartisan cooperation which comes along rarely in a politician's career.

We began 1989 with a remarkable degree of consensus on a new Federal role in America's child care system, and the targeting of Federal dollars to low-income families and the importance of parental choice and variety in the delivery of child care services.

While we differ over funding mechanisms and whether new Federal dollars should help parents find quality care in addition to helping them pay for it, I look forward to working with the new President and my colleagues in the Senate to see if together our mutual goals can be achieved.

To those who say cooperation and compromise is impossible, take a look at the legislation that Senators Hatch, Kennedy, Mikulski and I will introduce tomorrow. This bipartisan package, the product of literally dozens of hours of negotiation, combines the best of the child care legislation introduced in the 100th Congress. The Act for Better Child Care Services of 1989 combines ABC's focus on direct assistance to poor families and quality enhancement with new provisions to increase supply and broaden State flexibility. New provisions in ABC include a separate section for employer-sponsored child care programs, liability risk retention groups, a revised procedure for the minimum national standards and provision for ABC reimbursement of relative care. On behalf of America's children, we Senators have extended a political olive branch across the aisle. We truly hope that this will set an example and that others will follow.

Quality child care, like "motherhood and apple pie," is something everyone believes in, but like "motherhood and apple pie," there is some disagreement about what goes into it. Some believe the most important quality factors are parental choice and involvement. I count myself in that camp.

But to provide real parental choice, real involvement, I believe we must do more than throw families a few hundred dollars in tax credits each year and let them fend for themselves. In my view, parental choice means more. It means helping to increase the supply and variety of local child care services. Parental choice means minimum health and safety standards to help parents measure and improve program quality. Parental choice means better resource and referral networks to educate families about their child care options. Parental choice means parents working in the trenches, helping to set child care policies at the National, State, local and program level. ABC would help to ensure all these forms of parental choice and involvement. The tax credit approach alone would not.

To those who say a tax credit is the answer to America's child care crisis, I say you are only partially right. A tax credit would help to supplement the incomes of poor families with young children. But it would not help this Nation with our real challenge in the child care arena to build a diverse system of child care providers with predictable standards of health and safety. A tax credit may very well complement the ABC infrastructure plan. It is, however, no substitute.

ABC establishes minimum national health and safety standards for publicly funded child care programs.

Here some see a Federal bureaucratic boogeyman which simply does not exist. The standards will be set by a national committee of experts, including representatives of State and local Government and the business community. The national committee will then disband immediately and the States will have four years to implement and ensure compliance with these standards, using ABC assistance.

The national standards are based on those already in use in many States, half of which comply automatically with the medium requirements by definition. The standards will be set only in those categories which have already been identified by child development experts, the national insurance companies, the U.S. Armed Forces and the States themselves as the key indicators of quality in child care programs.

We know what these quality indicators are. The vast body of child development research tells us that the quality of a child care program is based largely on the interactive relationship between provider and child. That is why group size, child-staff ratios and provider training—indicators which determine the frequency and content of that interaction—are the cornerstones of the minimum national standards established by the ABC bill.

We need these national minimum standards because of the great discrepancies which currently exist in the State-by-State patchwork of standards and regulations. Half the States do not regulate group size for infants, despite the clear correlation with program quality. Only 28 States have ratios of five to one or lower for infants—the maximum safe ratio according to child care experts across the country. Twenty-six States have ongoing provider training requirements but seven States have no training requirements whatsoever. As a Nation, we believe we can do better for children.

Six years from now, when these standards are in place throughout the Nation, we will look back on this debate and wonder what all the fuss was about. After all, the Federal Government regulates the food we eat, the prescription drugs we take, the automobiles we drive, the planes we fly and the air we breathe. We also have a long history of using Federal funds to leverage quality improvements in a wide variety of State and local services; Federal highway funds and the minimum national drinking age is just one example.

What is so novel or so threatening about using Federal funds to establish a floor—a floor, my friends—of safety protection for all children as we head into the demographic whirlwind in the labor force which the 21st century will bring?

I view it as a wise investment for our Nation, for the mothers and fathers in the work force now and for the workers of the future whose intellectual and social development we can help promote today.

I would just like to add that you do not have to go very far each and every day to encounter the problem that we face. If you pick up this morning's paper, on the front page of the Washington Post, a Virginia boy, eight, fatally shoots his sister, six. "The eight-year-old boy fatally shot his sister yesterday. The boy fired a 38-caliber," and so forth. Unsupervised, they were home alone after school at about 2:30 p.m.

You can pick up any paper in America any day of the week, and it is hard to watch a TV news program or a radio news program in which you do not encounter this kind of thing. So, this is not an

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isolated case, regrettably. And while no one has a corner on exactly what is absolutely correct in each and every circumstance, we believe that the bill that we will introduce tomorrow with the bipartisan support that was demonstrated this morning in our press conference, and with companion legislation which we are moving on—really does help us get as close to a system that will at least attempt to minimize this kind of occurrence from happening, as it does every day in this country.

With that, I would like to turn to my colleague, our new colleague who is the ranking minority member, Senator Coats. We will have some opening statements if members of the committee have them, and then we will get immediately to our Governors.

OPENING STATEMENT OF SENATOR COATS

Senator Coats. Thank you, Mr. Chairman.

Let me tell you how excited and pleased I am to be not only a part of the United States Senate but an integral part of this committee and to serve as ranking member on this important subcommittee. I look forward to working with you and other members of the committee as we tackle some very tough but very important issues.

I think that children and families will benefit from our thorough and thoughtful discussions of what is in their best interests and what role the Federal Government ought to play. Today, as we continue our national debate over how to best consider the interests of children as dramatic changes in the work place occur, it is very important that we hold this hearing on the quality of child care and child care initiatives.

Let me state clearly and right from the top that the crime of child abuse, wherever it occurs, must be aggressively prosecuted. We must send out the clear message that such abuse will not be tolerated, whether it be in licensed centers, unlicensed centers, schools, homes or churches. I think we can all agree on this point.

Quality, the theme of today's hearing, has at times been merely a code word for attempts to gain more Federal control over parental choices. I would caution that in a rush to address the changes. We must not forget the large numbers of parents who continue to sacrifice income so that they can be with their children full time.

Nor should we forget that most who do work outside the home choose currently noninstitutional homelike arrangements, such as relatives, friends, or neighbors. Many others prefer nonregulated church care. We also should all know that the Federal Government does not have an exemplary record when it has attempted to usurp family responsibility. We need to promote individual and family responsibility and foster the development of strong families and values, not replace the prerogatives of family with the long arm of Washington. Such misguided policies have failed in the past and will continue to fail in the future.

Quality child care, especially for children zero to three, should consist of more than developmentally appropriate materials. An antiseptic, big-brother approach to our Nation's problems is bad enough when addressing most problems, but in the area of young children it often is particularly inappropriate.

Quality is most clearly related to love. We must be looking for innovative solutions that strengthen families and promote responsibility, not repeating past failures of reducing parental-only policies that imply, for instance, that a neighbor in the inner city—who may be poor and not live in the type of house that we do but loves little children and provides quality care—not be considered an inferior quality care provider.

I trust that in this hearing we will begin a serious, thoughtful debate on this subject, a debate that at its core has asked the question, "What is in the best interest of the child?" We should be open to new ideas, new evidence, new solutions, but our ultimate solution should be based on time-honored and proven principles of what is in the best interests of the child.

I would hope that our witnesses today would avoid the perils of "Potomac fever," of thinking that if just Washington would step in, all the problems of child care would be solved, all the abuses would end, children would receive everything that they need. I am looking forward to hearing your testimony as we prepare to tackle this vital area of our children's future.

Thank you, Mr. Chairman, for giving me the opportunity to participate.

Senator DODD. Thank you, Senator Coats.

Senator Kennedy.

OPENING STATEMENT OF SENATOR KENNEDY

Senator KENNEDY. Mr. Chairman, I will just take a moment because I know we have a very distinguished group of witnesses to hear.

But I want to make sure that the record points out that this is the first hearing of the Human Resources Committee in this session and how appropriate it is that it is focused on one of the most critical challenges that exist for the American family, and that is, child care.

I want once again to commend you, Senator Dodd, for the leadership that you have provided on this issue; to commend Senator Hatch, who has taken great interest and has contributed to the fashioning of the legislation upon which we are having the hearing today; to commend Senator Mikulski, who has been a vital force in this whole area.

As we know, Mr. Chairman, since the Senate debated this issue just a few months ago, 5,000 parents a day reject work because they cannot provide adequately for their children. As we are sitting in this hearing this morning, there are two and a half million children at home without any supervision at all, and some three million children with inadequate supervision. That is the reality today, and this is something that cries out for response.

I think that the legislation which you, Senator Hatch, and others have contributed to is really a down payment on our Nation's commitment to try to ensure that the families in this country are going to be able to have a safer, healthier climate when individuals in that family make a decision that they have to work to provide for that family.

I think and I am very hopeful that we will get strong bipartisan support, and as I have indicated earlier, this is going to be a top priority for this committee, and I will work with you and the other members of the committee to ensure that we have expedited action in this consideration.

I thank you.

Senator **Dodd**. Thank you, Mr. Chairman.

Senator Hatch.

OPENING STATEMENT OF SENATOR HATCH

Senator **Hatch**. Thank you, Mr. Chairman.

I am happy to be here today and to join with my colleague, Senator Dodd, as a sponsor for the Act for Better Child Care.

I am also happy to welcome the new members to the committee: our new chairman of this subcommittee; Senator Coats; and of course, Senator Kassebaum, who brings vast experience and a tremendous set of points of view to this committee; and Senator Jeffords, who of course was the ranking member over on the House Education and Labor Committee.

So, we have some real strength, I think, which has come to this committee on our side, and I am happy to join with my colleagues on the other side in trying to do something about this very serious problem.

This is a really important issue to millions of American families, and for this reason I believe we have to examine every proposal intended to assist families in finding safe, affordable and quality child care.

It is time to put partisanship behind us. It is time both sides of the aisle worked together to develop effective legislation, and it is time to work with President Bush, who has put forward some of his own ideas on this issue which deserve our attention. His ideas are great ideas.

I have cosponsored the Act for Better Child Care, the ABC bill, as it has become known, not because I think it is the best of all bills but rather because Senators Dodd and Mikulski, Kennedy and others and I have worked long and hard and we worked long and hard last fall to come up with a bipartisan compromise on child care. The time in the 100th Congress ran out, and it became clear that such a compromise would not be possible in 1988.

Many changes were made, however, and I want to thank Senator Dodd for his willingness to pick up in the 101st Congress at the place where we left off. While I believe that other amendments will be needed from a variety of viewpoints before this bill is enacted, I am cosponsoring this bill because I think it symbolizes the kind of bipartisan cooperation that I believe is essential to have major legislation passed.

Many significant issues remain which I hope can be worked out. Perhaps the most divisive is the matter of Federal standards. While the ABC bill being introduced tomorrow contains provisions which mitigate some of the expected problems associated with the development and implementation of Federal standards, the fact still remains that this bill mandates such standards.

It must be remembered that Federal standards in any form may have unintended adverse results, including the actual reduction of licensed child care slots or the movement of otherwise qualified, and often preferred, family-based providers to the underground economy, something we do not want to have happen.

There is also the question of whether subsidies should go directly to the eligible family in the form of tax breaks or through a middleman such as the State Government or State-selected contractor. There is no question that every family wants freedom of choice among available child care options, and we should never make the mistake of assuming that a family is less interested in exercising parental discretion just because it has a lower income.

We must also carefully evaluate the efficacy of the requirements we impose on State Governments from several perspectives. Does the legislation permit sufficient flexibility? Will Federal legislation enhance or hinder a State's own initiatives in child care? Will it transfer too many resources from services to enforcement? Will each State be able to adapt this program to meet the specific needs of its citizens? Does it recognize the efforts States have already made?

And these questions have to be addressed and will be addressed in the course of our debate on child care legislation.

There must also be incentives for private sector involvement and initiatives in child care. The Federal Government itself cannot solve this problem of this magnitude by itself. In fact, I believe that the ultimate solution will come from the business and nonprofit members of our communities. While the Federal Government may act as a catalyst and may provide some urgently needed financial assistance, the private sector must be encouraged to step up their participation in child care. And Federal overregulation is a sure way, it seems to me, to stifle such initiatives.

In short, I believe the ABC bill Senator Dodd will introduce merits further debate along with other proposals introduced by other Senators, including the bill I will introduce with Congresswoman Nancy Johnson, and of course the valuable ideas put forward by President Bush.

I salute Senator Dodd's continuing commitment to enacting sound child care legislation, and I do look forward to working with him and with that human cannonball for good, Senator Mikulski, who I have seen really roll through this outfit with everybody moving out of the way—and rightly so. [Laughter.]

And Senator Kennedy, of course, and other members of the Labor and Human Resources Committee during the 101st Congress.

This is important stuff. I have really become convinced that it needs all of our effort and it needs a bipartisan approach. We cannot all have every idea that we want put into it, and each of us has to, it seems to me, look for the best solution that we can possibly deal with in the framework of our compromise system.

Thank you, Mr. Chairman.

Senator DODD. Thank you, Senator Hatch.

Senator Harkin.

OPENING STATEMENT OF SENATOR HARKIN

Senator HARKIN. Mr. Chairman, thank you very much. I apologize for being a little late, but I just want you to know that I am pleased to join with the hearing today and others on the committee to consider the quality of child care.

I would also like to take this opportunity to thank you, Mr. Chairman, for your untiring leadership, your persistent efforts to secure available, affordable and quality child care for all of the families of America. You indeed have been the leader on this issue, and you have stuck with it, and we are going to get it through this year.

Mr. Chairman, the United States is one of the few developed countries with no Federal child care regulations or policy. The Federal Government and a majority of States—and I must say, my own State of Iowa—right now devote fewer resources to helping low-income families pay for child care than they did in 1980. It has actually gone downhill.

I might also say, as a Senator from a very rural State, that in my State the need for day care centers in rural areas and small towns is particularly great. The idea that rural women and rural families can rely on extended families to care for their kids is just a myth. Adequate day care is hard to find in rural America. And even if they can find it, most families cannot afford it.

Some early childhood experts agree that young children are better off if their mothers stay at home. Others do not. Well, that is not the point. The point is that for many women entering the work force it is not a matter of choice, it is a matter of economic necessity.

The question of who will care for the children of this growing number of working mothers and how these children will be cared for is, I believe, one of the most urgent problems that we face as a society today. Every day these parents are being forced to make untenable choices regarding their children's welfare.

Not too long ago a tragedy struck right here in the D.C. suburbs when a working couple with no better option available to them was force to leave their eight-year-old daughter in charge of her little brother and his playmate. When a fire broke out and she ran for help, the door locked behind her, and both of the younger children died. This is the kind of thing that our families face day after day after day throughout America.

The ABC bill, Mr. Chairman, that you have championed for so long and of which I am proud to be a cosponsor, deals with the issues of quality of child care. We know that very young children need individual attention to develop normally. Yet, 30 States do not regulate the group size of facilities for preschoolers—30 States do not regulate.

Along with group size, the training skill and attitude of child care staff are crucial to the quality of care. Yet, at least seven States allow totally untrained persons to staff day care centers.

Some people have argued that national minimum child care standards will make child care more expensive for families. In any event, we can no longer allow our children to pay the price for unsafe and inadequate care.

As the parent of two young daughters myself, I do not believe there is a parent out there who does not worry about the safety and well-being of their children when they cannot be with them. We have heard a lot about the tremendous need for available and affordable child care. But this bill, the ABC bill, also considers the quality of their care, its effects on the development, safety and health of our children.

And, Mr. Chairman, this really is the key part, I believe, of this legislation, and I am sure our witnesses today will help us understand important aspect of child care.

Again, Mr. Chairman, thank you for your leadership on this issue.

Senator **DODD**. Thank you very much, Senator Harkin.

Senator Kassebaum.

Senator **KASSEBAUM**. Thank you, Mr. Chairman. I will wait until questioning the witnesses.

Senator **DODD**. Senator Jeffords?

OPENING STATEMENT OF SENATOR JEFFORDS

Senator **JEFFORDS**. Thank you. Just a very brief statement, and I appreciate the opportunity, not being on the subcommittee, but I have worked long and hard, as Senator Hatch pointed out, on the House side for this, and I deeply appreciate the bipartisan attitude that we have this year developing not only the ABC bill but some tax alternatives, because I feel that we must have a comprehensive approach.

But I do remain particularly troubled for the potential of excessive church-State entanglements and the possible religious discrimination that could arise under the ABC bill and impair its passage as well as its implementation.

Also, while you want to ensure that business does have an adequate role to play because some of the most innovative ideas that have come forward in the child care area, such as home work and such as flextime, have come from the business community, I am also troubled by the liability insurance problems. And all of these we must consider.

I deeply appreciate the opportunity to be here today and especially to introduce our Governor a little bit later.

Senator **DODD**. Thank you very much, Senator Jeffords.

We are delighted to have with us two Governors this morning, Governor Schaefer and Governor Kunin. I would like to begin by asking my colleague from Maryland, the senior Senator, Senator Sarbanes, if he would care to make some opening comments for the purpose of introduction of the Governor.

STATEMENT OF HON. PAUL SARBANES, A U.S. SENATOR FROM THE STATE OF MARYLAND

Senator **SARBANES**. Well, thank you very much, Mr. Chairman, and members of the subcommittee.

Mr. Chairman, I first want to commend you for scheduling these hearings at the very outset of the 101st Congress, and I want to join with others of my colleagues who have already expressed their appreciation to you for your very strong and continued leadership on this important legislation. You have placed it high on the national agenda, and you have kept the issue on the national agenda, and I am convinced we will act on it in this Congress, since there is no higher priority than protecting our most valuable national resource, the well-being of our children.

Mr. Chairman, as you know, I was a cosponsor with you of the ABC bill in the last Congress. I deeply regret that we were not able to complete final action on it. And I very pleased to join with you again in sponsoring this legislation as you reintroduce it in this Congress.

I have a statement for the hearings which I will submit for the record.

Senator DODD. Without objection, it will be included.

Senator SARBANES. Mr. Chairman and members of the subcommittee, I think we are very fortunate this morning to have Governor Schaefer here to lead off the testimony on this legislation. His experience and background in Government is unique. For 15 years he was the most successful mayor in the country. He was the mayor of Baltimore. Before that, he was a very strong force in our Government as a member and then president of our city council. And since 1986 he has been the Governor of our State.

Governor Schaefer has recognized the existence of a serious problem in the supply of safe, quality, affordable day care, and has been working hard to address this problem. In our State he has increased funding for day care services. He has streamlined the regulatory process. He has established in the State an office of child care coordinator to supervise the implementation of his initiatives and to provide very needed services to employers and to families. He has established a worksite child care center in the Maryland Department of the Environment to serve as a pilot project in evaluating day care services.

As a mayor he was probably the most innovative in the country in developing programs to deliver services to people who need them. He has continued that record as Governor, and he has kept Maryland at the forefront in the delivery of services to its people.

I have spoken with the Governor. I know how deeply he feels about the importance of the issue we are addressing here this morning. And I have every confidence that his observations and perceptions both in terms of theory, but probably even more so in terms of practice, will be very helpful to the committee.

So, it is a great honor for me to have this opportunity to come before the committee to indicate my own very strong support for the endeavor on which you are now embarking and to present to you really an outstanding public service, Governor Schaefer.

Senator DODD. Thank you, Senator Sarbanes, very much, not only for being here but for your support of this effort.

Along with you, of course, is the junior Senator from Maryland, who has already spent over an hour in this room this morning. We are delighted she was with us in the press conference, but frankly, far more delighted that I had her by my side last year with Senator Hatch in our lengthy discussions on working out a compromise on the ABC legislation.

American families do not have a better friend in the Congress, Republican or Democrat, than they do in Barbara Mikulski, a member of this committee.

STATEMENT OF HON. BARBARA MIKULSKI, A U.S. SENATOR FROM THE STATE OF MARYLAND

Senator MIKULSKI. Thank you, Senator Dodd.

I am just so delighted that the first hearing of the Human Resources Committee is devoted really to how we can provide care for our children, tender, loving care, not as a substitute for parents, but in addition to parents, to help them cope with their responsibilities for being in the marketplace.

I appreciate your kind words and those of Senator Hatch. I was glad he referred to me as a cannonball and not a loose cannon on the committee. [Laughter.]

But we will see how it all goes.

But really my job sitting here at this table is to introduce our Governor from the State of Maryland. Before I do, I would like to welcome Lieutenant Governor McCallum from the State of Wisconsin, who I know has made considerable effort in the area of child care.

And I have to say a word about Governor Madeleine Kunin, who has been really a sister in the struggle to provide really adequate child care, meet the needs of her family, meet the needs of American families, and at the same time deal with and balance the State budget. We look forward to her advice.

But I especially wanted to introduce in the warmest way Governor Schaefer to this committee. Senator Sarbanes has talked about Governor Schaefer's accomplishments in child care. But what you should know is that as Governor Schaefer talks to us today, we should know that he is really a "people's Governor." In a State that has a modest surplus, he has made sure that he is going to use that surplus to help both the homeless and the helpless and has placed a major effort in the area of children, the elderly, housing, and other things along those lines.

But he is good not only at spending money, but making sure that he involves the private sector. And I think one of the most important things that we are going to hear today from Governor Schaefer is really the involvement of the private sector. If we are going to have good child care in this country, we need the involvement of parents because they are the primary provider, but at the same time we need the involvement of the business sector. And if we have that triad of parents, responsible Government and a social responsibility from the private sector, we will be able to do the programs well.

I first met Governor Schaefer when he was a city councilman. I was a social worker working in the neighborhoods of Baltimore, trying to bring drug addiction programs to the neighborhoods. It was in the mid-Sixties. We did not have very many of those programs, but we put our heads together to see what we could do. We worked together when he was president of the city council, and then when I was a city councilwoman under his very able stewardship as mayor. We tackled issues like lead paint poisoning that were affecting our children. We tackled issues like gas heaters. We know what it is like to have standards and that if it is broke, when you fix it you do not create a bigger problem.

He struggled with those issues. He has been a leader. He leads with his head and he leads with his heart, and that is why he is one of the most popular Governors in Maryland history. I am happy to introduce him.

Senator DODD. Thank you, Barbara, very, very much.

Let me ask our colleague, Senator Jeffords, if he would care to introduce Governor Kunin and we have Lieutenant Governor McCallum as well. We welcome you here this morning.

STATEMENT OF HON. JAMES M. JEFFORDS A U.S. SENATOR FROM THE STATE OF VERMONT

Senator JEFFORDS. I would be very pleased to do so.

Our Governor is entering into her third term, and one of her high priorities has been to do something in our State about child care services, and she has been able to expand them. Since she took office in 1985, the State has tripled the number of working families who receive assistance in meeting their child care needs.

Governor Kunin has reached out to the business community to search for solutions to the child care needs. In 1988 she appointed a special task force, the Partnership in Child Care Committee, to look at the ways the public and private sectors could work together better to meet the need of child care. In the past year the Governor has also hosted numerous breakfasts around our State, where employers have been invited to discuss the child care issue from business perspective.

Finally, last year the Governor oversaw the creation of a new division of child care within our State Government, a development that should greatly enhance the delivery of child care services in our State.

Obviously, Governor Kunin is highly qualified to appear before us today, and I look forward to her testimony. Vermont has a good record in this area, and a lot of that is due to your efforts, and I deeply appreciate and the State does.

Thank you, Mr. Chairman.

Senator DODD. Not at all.

And we welcome as well, as I said, Lieutenant Governor Scott McCallum from the State of Wisconsin.

I have been over your testimony. I know you have a strong interest in this subject, and I know your Governor does as well. There is a state of the State address, I guess, coming up, and so he could not be here with us this morning. But the Lieutenant Governor also serves on the national advisory panel of the Child Care Action Campaign, demonstrating an obvious interest in the subject matter.

I want to tell you personally how much I appreciate your coming a great distance to be with us this morning and to share with us your views.

We will go back and, if we can, begin with you, Governor Schaefer. Again, I am delighted to welcome you to this committee. I appreciate your taking time, all of you, away from busy schedules, to be a part of this, the first hearing of the Labor Committee and, I think, one of the first substantive hearings of any committee in the 101st Congress.

We truly welcome you here. We appreciate the fine work all of you have done. We would be glad to accept your testimony.

STATEMENT OF HON. MADELEINE KUNIN, GOVERNOR OF VERMONT, MONTPELIER, VT; HON. WILLIAM DONALD SCHAEFER, GOVERNOR OF MARYLAND, ANNAPOLIS, MD; AND HON. SCOTT McCALLUM, LIEUTENANT GOVERNOR OF WISCONSIN, MADISON, WI

Governor **Schaefer**. Senator, would you mind if Governor Kunin went first? She has a plane to catch.

Senator **Dodd**. Not at all.

Governor **Schaefer**. If you would not mind.

Senator **Dodd**. Not at all.

Governor **Kunin**. Thank you very much, Governor Schaefer.

I will stay as long as I can because I would like to hear the testimony of my colleagues and also respond to questions.

First let me thank you, Mr. Chairman, and members of the committee, for giving us the opportunity to testify here today. I think it is clear that the reason we are here is that we feel very strongly, as you do, that this is one of the most important issues facing American families. As Governor of the State of Vermont, I take heart in the words I have heard this morning because these are the words that we have all been using at the State level, that we want excellent, safe and affordable child care. And that is essential to the working families not only of our respective States but of this country.

What is most encouraging in regard to this bill at this point is the bipartisan support that it is receiving, and certainly child care is a bipartisan issue. In fact, you saw another indication of bipartisan support with Senator Jeffords' introduction of me, a Republican introducing a Democratic Governor. We are in this together, just as you and Senator Hatch and the membership of this committee is.

I think all of the families in America have seen in the campaign season that politicians made many trips to child care centers and many people learned how to bounce those babies on their knees and smile and make the rounds. And we were delighted to see that.

But I think now you have raised great expectations that after those visits there really is an expectation that something will result, that in fact those child care centers will be the beneficiaries of Federal support in many areas that this bill outlines. In that sense, I think it is a great opportunity. I realize that as this new President takes office and as this Congress begins its work, it is under a heavy burden to be fiscally responsible and that the budgetary choices are indeed going to be very tough.

Believe me, as Governor I know about tough choices myself. We have to balance budgets, we have to choose our priorities, and we cannot do everything for every constituency, as much as we would like to do so. But we have in our State made a very high priority of child care because I believe, as does my legislature and as basically the various constituencies within the State, that this is where you get the greatest impact, the greatest return, the greatest return both financially and on a humane level and on a prevention level.

So that these dollars that you are considering allocating for this purpose I believe will be very well spent, even though it does require a commitment up front.

As I overheard at the press conference when Senator Dodd was asked about the cost impact, that he related it to the welfare reform legislation, I would like to underscore that very strongly. We have welfare reform in effect in Vermont in the Reach Up legislation which is what we call it. It is now State law. But it is highly dependent on access to child care. And the connection between enabling women to enter the labor force and having access to good child care is very strong, very real, very vital, and must be strengthened.

That is why I see these pieces of legislation moving in tandem and being related to each other. Even though the welfare reform bill is law, it cannot really be implemented without the support of this child care legislation.

I veered somewhat from my written, formal testimony. Partly, it is out of enthusiasm for this issue. I think that I would like to respond briefly just to the comments of Senator Coats, you know, what is the proper Federal role here, which I think is a very important question. From the State point of view, we definitely see the role as a shared responsibility. The States do not expect the Federal Government to solve the child care problem or to be heavy-handed in setting standards, regardless of what final shape this legislation takes.

But we do believe that it is time for the Federal Government to share in the responsibility that basically the States have accepted—and more than accepted, really have been the innovators. Just to take the small State of Vermont as an example, we are known to be fairly frugal. We have nevertheless made an unprecedented commitment to financing affordable child care, and we are proud of that investment.

We also have in that investment directly involved the business community. I certainly agree with Senator Mikulski's remarks and other remarks that this is most important that this be this kind of partnership between the business community and that the Federal Government and the State Government be close associates in this endeavor.

Just to show you the level of our support, we have increased child care dollars—and you have to put those in relationship to the population of the State of Vermont—but from about $1.6 million four years ago, to $6.7 million in our fiscal year 1990 budget. At the same time, the Federal funding has been maintained at a flat or slightly less level. So, the State's line on the curve has gone straight up, while the Federal Government has remained either level or gone down.

I think that is the basic message that we would like to convey to you, that there is an appropriate role for the Federal Government here, and it is really to reinforce and strengthen the steps that the States have taken. Even though we have been able to triple the number of child care spaces in our State just in the past four years, we still feel that in Vermont there are some 30,000 children who require care who are without care. So, we have started down the road, but we need further assistance to meet the full demand.

The solutions that we need I think are best achieved in the kind of partnership level that we have been talking about. Let me just briefly address the standards question, which I know is a sensitive one.

As you know, Governors and States have been somewhat leery through the years in having the Federal Government step into this area, but I think there is an appropriate way to do so, and from my last review of the bill, I think it tries to reach that level where it does not dictate to the States, where it respects that there are many ways to provide child care, that there has to be flexibility for child care homes, for child care provided in different settings, but nevertheless some minimum health and safety standard I think is necessary to protect our families and to protect our children.

I hope as the bill goes through various drafts, that it will be able to achieve that balance between allowing maximum flexibility and still creating a basic standard.

I am also pleased in terms of the legislation with its sliding-fee scale. That is the approach that we have taken in Vermont. We find that it works very effectively. We have also instituted a grant and loan program, as this legislation proposes. And we have put a great deal of emphasis on training, again as this legislation proposes.

So, I believe that you are heading in the right direction, largely because you are doing it pretty much the way we have done it in Vermont. [Laughter.]

And that undoubtedly is the highest compliment of all.

I also would urge you to continue to reach out by involving the private sector, as I indicated earlier. Let me just mention a few creative examples of how the private sector has become involved in Vermont. We had, four years ago, eight employers who were involved in child care. Today we have 32. One of our employers, the Bogner Ski Wear Company of America, in Newport, Vermont, is addressing both affordability and quality of child care by providing $20 per week to employees who send their children to licensed or registered facilities. And the company goes one step further: It pays a small stipend to child care workers who enroll in additional training. It is this kind of not large amounts of money but sensitivity to quality and accessibility which the private sector has undertaken.

We also have some seven nursing homes in the State of Vermont who have onsite child care and, by that innovation, have solved a number of problems simultaneously, one a labor shortage and, two, quality care at the same time.

Well, in conclusion, the States, I believe, are ultimately responsible for protecting the safety and well-being of its children, but the Federal Government can help us do so by passing this ABC bill and its recommended appropriations.

I do urge you, as I have indicated, to act as quickly as possible. I think the need is out there. The expectation and the hope is there that you will act, and I think you will be roundly applauded for your foresight and courage when you do so.

Thank you.

[The prepared statement of Governor Kunin follows:]

U.S. SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES
SUBCOMMITTEE ON CHILDREN
JANUARY 24, 1989

TESTIMONY OF GOVERNOR MADELEINE M. KUNIN

CHAIRMAN DODD AND MEMBERS OF THE COMMITTEE, GOOD MORNING AND THANK YOU FOR INVITING ME TO TESTIFY ON THE ACT FOR BETTER CHILD CARE SERVICES, THE ABC BILL. I AM HERE TODAY BECAUSE I, AS GOVERNOR OF THE STATE OF VERMONT, STRONGLY BELIEVE THAT EXCELLENT, SAFE AND AFFORDABLE CHILD CARE IS ESSENTIAL TO THE WORKING FAMILIES OF MY STATE. OUR CONTINUED ECONOMIC WELL-BEING DEPENDS TO A LARGER EXTENT THAN EVER ON OUR ABILITY TO ADDRESS THE PRACTICAL PROBLEMS FACED BY TWO-WAGE-EARNER AND SINGLE-PARENT FAMILIES. CHILD CARE IS AT THE TOP OF THE LIST.

THE SHORT TITLE OF THE BILL CONJURES UP A CHARMING IMAGE: A CHILD PLAYING WITH WOODEN BLOCKS, LEARNING THE ABCS WHILE PLAYING IN A SAFE AND LOVING ENVIRONMENT. UNFORTUNATELY, TOO

FEW AMERICAN CHILDREN HAVE THAT OPPORTUNITY. THE LEGISLATION YOU ARE CONSIDERING TODAY, HOWEVER, WILL PROVIDE STATES THE BUILDING BLOCKS THEY NEED TO IMPROVE THE QUALITY OF CHILD CARE AND TO MAKE IT AFFORDABLE FOR MORE AMERICANS.

THE PURPOSE OF MY TESTIMONY IS TO TELL YOU -- IN THE STRONGEST POSSIBLE TERMS -- THAT ADEQUATE CHILD CARE SERVICES FOR AMERICA'S WORKING FAMILIES MUST BE A SHARED RESPONSIBILITY OF BOTH THE STATE AND FEDERAL GOVERNMENT.

WORKING TOGETHER, WE CAN PROTECT THOSE CHILDREN WHO MAY BE ABUSED OR NEGLECTED. WE CAN PROVIDE SUBSIDIZED CARE FOR THOSE WHO CAN AFFORD NO OTHER. AND WE CAN BE A CATALYST TO ENCOURAGE BUSINESSES TO PROVIDE CHILD CARE FOR THEIR EMPLOYEES.

STATES LIKE VERMONT -- DESPITE OUR SMALL POPULATION AND HISTORICALLY FRUGAL REPUTATION -- HAVE MADE AN UNPRECEDENTED

COMMITMENT TO FINANCING AFFORDABLE CHILD CARE. WE ARE PROUD OF OUR INVESTMENT IN OUR CHILDREN. WE ARE ALSO PROUD OF OUR BUSINESS COMMUNITY, WHICH HAS ENTHUSIASTICALLY JOINED US IN A PARTNERSHIP STRATEGY TO EXTEND CHILD CARE TO WORKING FAMILIES. SOME 32 VERMONT BUSINESSES NOW PROVIDE ON-SITE CHILD CARE AND AN INCREASING NUMBER ARE ADDING CHILD CARE TO THEIR BENEFITS PACKAGES.

BETWEEN FISCAL 1985 AND 1990, VERMONT'S FINANCIAL SUPPORT FOR SUBSIDIZED CARE WILL HAVE NEARLY TRIPLED. AT THE SAME TIME, THE STATE'S SHARE OF THE EXPENSE WILL HAVE RISEN FROM 40 PERCENT TO 60 PERCENT. WHILE THE FEDERAL GOVERNMENT HAS LARGELY WALKED AWAY FROM THIS CHALLENGE.

VERMONT PARENTS SPEND MORE THAN $60 MILLION EACH YEAR FOR CHILD CARE. FOR AN AVERAGE VERMONT FAMILY WITH TWO CHILDREN IN CHILD CARE, COSTS CAN CONSUME AS MUCH AS 22 PERCENT OF THEIR INCOME, EVEN AFTER RECEIVING STATE AND FEDERAL TAX

CREDITS.

SPENDING ON CHILD CARE IS GROWING DRAMATICALLY AS MORE AND MORE WOMEN HAVE ENTERED THE WORKFORCE. TO ACCOMMODATE THE INCREASE IN WORKING SINGLE PARENTS AND TWO-WORKER FAMILIES, THE NUMBER OF REGISTERED AND LICENSED CHILD CARE SPACES HAS NEARLY TRIPLED, RISING FROM 6,000 TO 16,000 IN JUST THE PAST FOUR YEARS.

DESPITE THIS RAPID GROWTH, VERMONT'S CHILD CARE SYSTEM REMAINS UNABLE TO MEET THE NEEDS OF AN ESTIMATED 30,000 VERMONT CHILDREN WHO REQUIRE QUALITY CARE. WE ANTICIPATE GROWING DEMAND FOR SERVICES IN THE YEARS TO COME, YET WE SEE AN INDUSTRY WHOSE WAGES ARE SO LOW THAT TURNOVER AMONG CHILD-CARE WORKERS IS EXCESSIVELY HIGH.

IF WE WANT AMERICA'S CHILDREN TO GROW UP HEALTHY AND SECURE, WE MUST DO BETTER.

HOW WE RESPOND NOW WILL NOT ONLY AFFECT OUR CHILDREN, BUT WILL ALSO INFLUENCE THE STRENGTH OF OUR ECONOMY. NATIONALLY, IT HAS BEEN ESTIMATED THAT MORE THAN A THIRD OF ALL PART-TIME WORKERS WOULD WORK LONGER HOURS IF THEY COULD FIND ADEQUATE CHILD CARE. MOREOVER, IN VERMONT CHILD-CARE-RELATED ABSENTEEISM ALONE COSTS EMPLOYERS AN ESTIMATED $7.5 MILLION EACH YEAR. NATIONALLY, THAT FIGURE RISES TO $3 BILLION.

THE SOLUTIONS TO THESE PROBLEMS REQUIRE BOTH A FINANCIAL COMMITMENT AND POLITICAL WILL. DURING THE LAST FOUR YEARS IN VERMONT, WE HAVE BUILT A SOLID FOUNDATION FOR THE FURTHER DEVELOPMENT AND IMPROVEMENT OF OUR CHILD CARE SERVICES. AND WE HAVE DONE SO IN A WAY THAT ATTESTS TO THE SOUNDNESS OF THE ABC BILL'S APPROACH. LAST YEAR, WE PUT IN PLACE A PROGRAM NEARLY IDENTICAL TO WHAT ABC WOULD REQUIRE. AND IT IS WORKING.

WE HAVE SET STANDARDS TO ENSURE THAT EVERY CHILD IN A LICENSED OR REGISTERED CHILD-CARE FACILITY IS SAFE AND PROPERLY ATTENDED. WE HAVE SET MINIMUM STAFF-TO-CHILDREN RATIOS. WE HAVE PROPOSED A REGULATORY SYSTEM THAT WILL REQUIRE THAT CHILD-CARE PROGRAMS MESH WITH THE DEVELOPMENTAL NEEDS OF THEIR YOUNGSTERS. WE HAVE FOCUSED PARTICULAR ATTENTION ON PROVIDING FINANCIAL ASSISTANCE TO LOW-INCOME WORKING PARENTS; WE USE A SLIDING FEE SCALE TO ASSIST ELIGIBLE PARENTS WHOSE INCOMES ARE AT OR BELOW 80 PERCENT OF THE STATE MEDIAN INCOME.

WE HAVE CREATED SMALL GRANT AND LOAN PROGRAMS TO HELP CHILD CARE CENTERS GET ESTABLISHED OR BETTER EQUIPPED. WE ARE ALSO INVESTING IN EFFORTS TO ENCOURAGE COMMUNITIES AND BUSINESSES TO PROVIDE CHILD CARE. I AM DELIGHTED TO REPORT THAT THESE PARTNERSHIPS ARE WORKING.

THE VERMONT DIVISION OF CHILD CARE RECEIVES CALLS FROM ABOUT EIGHT EMPLOYERS PER WEEK WHO WANT TO KNOW MORE ABOUT

EXPANDING CHILD CARE BENEFITS.

TO REACH EMPLOYERS WHO MAY NOT HAVE THOUGHT MUCH ABOUT CHILD CARE, WE HAVE TRAINED OUR EMPLOYMENT SERVICE FIELD TEAMS TO BE EXPERTS ON THIS ISSUE. THEY ARE HELPING TO DEMONSTRATE THE LINK BETWEEN CHILD CARE AND A PRODUCTIVE WORK FORCE. WE HAVE MANY SUCCESS STORIES.

ONE OF OUR EMPLOYERS, BOGNER OF AMERICA IN NEWPORT, VERMONT, IS ADDRESSING BOTH THE AFFORDABILITY AND QUALITY OF CHILD CARE BY PROVIDING $20 PER WEEK TO EMPLOYEES WHO SEND THEIR CHILDREN TO LICENSED OR REGISTERED FACILITIES. THE COMPANY GOES ONE IMPORTANT STEP FARTHER: IT PAYS A SMALL STIPEND TO CHILD CARE WORKERS WHO ENROLL IN ADDITIONAL TRAINING. SEVEN NURSING HOMES HAVE ESTABLISHED CHILD CARE CENTERS, CREATING A "WIN-WIN" SITUATION. EMPLOYMENT SHORTAGES AND TURNOVER HAVE BEEN REDUCED, PARENTS ARE HAPPY, AND CHILDREN ARE WELL CARED FOR.

THE CABOT COOPERATIVE CREAMERY HAS ESTABLISHED AN ON-SITE CHILD CARE CENTER FOR BOTH ITS EMPLOYEES AND THE COMMUNITY; A MODEL OF HIGH QUALITY CARE.

THESE THREE EXAMPLES DEMONSTRATE HOW STATES CAN LEVERAGE THEIR RESOURCES IN CHILD CARE. WE ARE PROVIDING LEADERSHIP AND TECHNICAL ASSISTANCE; THE PRIVATE SECTOR IS RESPONDING WITH EXPANDED CHILD CARE PROGRAMS. TOGETHER WE ARE AN EFFECTIVE PARTNERSHIP.

BUT A MAJOR PARTNER IS MISSING: THE FEDERAL GOVERNMENT.

THE STATES ARE ULTIMATELY RESPONSIBLE FOR PROTECTING THE SAFETY AND WELL-BEING OF THEIR CHILDREN. THE FEDERAL GOVERNMENT CAN HELP US DO SO BY PASSING THE ABC BILL AND ITS RECOMMENDED APPROPRIATION.

PERMIT ME TO COMMENT ON A FEW SPECIFICS.

THE ABC BILL PROPOSES MINIMUM STANDARDS FOR CHILD CARE. I WOULD URGE YOU TO MAKE THESE AS FLEXIBLE AS POSSIBLE, WHILE HOLDING ONTO YOUR GOAL OF ENCOURAGING STATES TO IMPROVE THEIR SERVICES.

STATES LIKE VERMONT HAVE ALREADY SET CAREFUL STANDARDS THAT REFLECT OUR NEEDS AND VALUES. I AM HOPEFUL THAT ANY STANDARDS YOU MIGHT INCLUDE IN THIS BILL WILL REFLECT A NATIONAL CONSENSUS THAT ALL STATES WILL BE ABLE TO LIVE WITH.

I BELIEVE THAT THE LEGISLATION'S SPENDING REQUIREMENTS ARE FLEXIBLE ENOUGH TO MEET THE DIFFERENT CHALLENGES FACED BY THE DIFFERENT STATES. FOR EXAMPLE, THE REQUIREMENT THAT 10 PERCENT OF A STATE'S GRANT BE SPENT TO IMPROVE THE QUALITY OF CARE COULD HELP ONE STATE HIRE MORE INSPECTORS TO ENFORCE SAFETY STANDARDS, AND ANOTHER TO BOLSTER TRAINING PROGRAMS.

WITH THE NEW FEDERAL ASSISTANCE, VERMONT WOULD INVEST IN MORE PARENTAL INVOLVEMENT AT CHILD-CARE FACILITIES, MORE FAMILY SUPPORT SERVICES, AND MORE EMPLOYER-BASED PROGRAMS.

GIVEN THE ENORMOUS POTENTIAL FOR EMPLOYER-ASSISTED CHILD CARE, I URGE THE COMMITTEE TO INVESTIGATE WAYS THIS LEGISLATION MIGHT HELP STATES FORM PARTNERSHIPS WITH THE PRIVATE SECTOR. EMPLOYERS ARE BEGINNING TO UNDERSTAND THE VALUE OF ON-SITE CHILD CARE PROGRAMS AND OTHER CHILD CARE BENEFITS. NEVERTHELESS, THEY STILL NEED MORE HELP FROM THE STATES AND PUBLIC SECTOR TO GET STARTED.

SENATORS, I WANT TO COMMEND YOU FOR FOCUSING ATTENTION ON THE NEEDS OF OUR YOUNGEST CHILDREN AND THEIR WORKING PARENTS. YOU HAVE DRAFTED A BILL THAT ENSURES THAT OUR NATIONAL INTEREST IN PROTECTING OUR CHILDREN -- AND OUR ECONOMIC FUTURE -- WILL BE SERVED.

Senator **Dodd**. Governor, thank you very much. Again, we appreciate the tremendous work that you have done in Vermont on this issue and appreciate, too, the relative size of things and population. We are looking at a lot of things that States are doing—Vermont was certainly one of them and Maryland the other. So, we are doubly grateful for your efforts.

Governor Schaefer.

Governor **Schaefer**. Thank you very much, Senator.

First of all I would like to thank my two Senators. They pump up my ego that is deflated. Every time I come over here they tell me what good work I have done, and I go back to the State and I find out that I had not done anything. [Laughter.]

So, it is really great to come here.

Before I start, let me commend you for having a hearing before the bill is actually introduced. To me, that is a commitment on your part to do something that is absolutely essential as far as child care is concerned. I want to thank you, Senator Dodd, and all the members of the committee and the subcommittee for your action.

I do not have to tell you that there is a need for adequate, affordable day care, and it has reached, in my opinion, a critical stage. I have heard repeatedly today that there are millions and millions of children who require some form of day care, either night, day, weekend, whatever it might be.

There is a different world from years and years ago. There are some pictures I want to show you. This was a family way, way back, way, way back. There was pop and there was mom, there was all the children. He was the worker, and the rest stayed home. And that is what it was years ago.

Now, if I might get my young man to change that chart, I want to show you what it is today. There is today.

You have the working mother. There is the child. And if you look at her face, she is alive, she is vivacious, she is all the rest, but in her eyes she is worried. She is saying, "I've got to work. I've got to work, but what is going to happen to my child?"

And I learned a long time ago that you can do anything to me, but do not touch my child—do not touch my child.

So, we can start off by saying it is a new world, new beginning, and you just cannot say, well, you know, there is not a need, there is no need. And if you would, just look at this chart, the percentage of women in the labor force.

Would you mind if I walked around?

Senator **Dodd**. Certainly.

Governor **Schaefer**. In 1962, 66 percent were men and 34 percent were women. By 1986, down ten points, 56 and 44. And by the year 2000, 53 and 47. So, you are going to have a work force almost equal. I think what is going to happen because you can see dramatically by the chart that there are two people working, two people working.

And I can cite one of the people who works on my staff, she had a person taking care of her child, the person left, and the difficulties that she had in order to get adequate day care. She has to work, wants to work, and is a very valuable member of my staff.

Two-income family is a fact. Single parent is a fact. Day care is a fact. And let me say, you cannot wait any longer. One of the things in Government that we do, we wait for the crisis to come up on us. Instead of trying to anticipate the crisis, we wait.

Now, I am a part of Government. I am not critical of anyone. I am part of it. We wait until we get right into the crisis stage, and then we start rushing around and try to do something. That is why I commend you for what you are doing right now. Before the bill in Congress is introduced, you are having your hearing. I think that is important. The problem of day care, of course, is not going to go away.

Let me read you a letter that I just received yesterday from Randy Evans, who is the head of our economic development. I think this cites something:

> I had a very interesting visit to a company in Rockville. The company was founded in 1971. The company is experiencing phenomenal growth. Their growth exceeds 25 percent annually, and they employ 250 people now, up from 70 a year ago.
>
> This company is truly a microcosm of economic development. The compeny has begun a diligent search for employees in a tight labor market in Montgomery County. They have hired a number of people living in Silver Spring and Gaithersburg. In fact, they have employed a company to try to find people to work.
>
> This company anticipates a major production expansion in the near future. They are expressing concern about finding an adequate supply of workers in Montgomery County.

An adequate supply of workers. So, you are working on two areas right now, and you are absolutely right on working on: one, people off welfare into job training, into day care and into the work force; and the other, this force that I showed you, this lady who is all ready to work but cannot find adequate day care. And that is what we are facing in many parts of the State of Maryland, and I am sure in other areas too. And if we do not find them someplace to be able to get this day care, we are in trouble.

This company is expanding in the State of Maryland—and this is not the total exception to the rule—trying to find adequate people, trained, and adequate day care. So, I think that is very important. Now, it is important.

Well, let's talk about something. Is it important? Is day care important? And who is it important to? First, to the children. First of all it means a safe place for the children to be, and that is where those minimum regulations that the Governor was talking about, a safe place where children can go.

Second, they get nutrition; they get good food to help maintain their bodies.

And third, a place to play, but also a place to learn. It is not just taking a bunch of kids, putting them there and saying, "Okay, kids, you can play all day." It is a learning process, and the earlier they do it.

Now, what about parents? Parents have a great—and I will repeat what I said, you can do anything to me, but do not touch my kid. I worry about my child. So, they have got to have a safe and a worry-free place for their children. That is important.

Second, it allows parents to enter or reenter the work force. Now, that is important. Enter the work force. Many people who have babies and they start at age 14 on up, enter the work force or some people reenter the work force. It is very important.

Third of all, this makes a great contribution to the community. No question about that.

Business, now I will talk about this a little later. But first, they are able to recruit and to retain employees. That is very important. And there is a perfect example, this company who needs employees and cannot get them because there are not enough workers out in Montgomery County—and I could cite other areas too. But they need trained workers and they need day care for their children.

Now, what does it mean? It raises productivity. I will get to that a little later.

Increases office efficiency. And there is no question about that.

Government, what does it mean to us? Government has an interest. We can turn tax users into taxpayers. That is one of the most important elements that we can do. We expand the work force. We are in such competition all over the world. We have got to expand the work force. We have got an opportunity to do that.

Invest in our next generation, not have people who are just saying, "Well, okay, I'm on welfare, can't do it, going to stay home." We have got an opportunity to invest in the next generation, and I think that is important. We can save money.

Okay. Adequate and affordable day care. How did I get interested in this anyway? How all of a sudden did this guy get all so interested? First of all I have no children; a bachelor, too old, all the rest of this stuff. But how come I got interested in this? A couple of years ago, just as you said, Senator Coats, how come the Government got into this? And I thought to myself, I am not going to get into this. We are spending $37 million. Everybody is doing okay—I think they are doing okay.

And I started to find out, it is totally disorganized, not doing the proper thing, day care centers were not regulated, too many regulations or too few regulations, did not have a good system.

So, I went to a dinner with a lady by the name of Mrs. Grasmic. She is deputy superintendent of the schools of Baltimore County. She had asked me to come, and as a favor I went. She started talking about day care.

The vice president of Stride-Rite was there, the vice president of Stride-Rite. He said, "We have the best day care program in the country, barring none." He said, "We have found we save money by putting up our day care center." I thought that cannot be, it is going to cost you money, and you are just giving me a bunch of stuff. I do not believe it.

I got on the train or plane or whatever it is, and went up to Massachusetts, went to the Stride-Rite, saw this great facility that they had set up. I immediately said to him, "Well, of course, this is costing you a lot of money."

He said, "It is. It's costing us a quarter of a million dollars. But on the other side we are saving $300,000. No profit motive in there. We're saving about $300,000 on absenteeism, sickness, and all the rest of that."

It was good business. It was good business. So, that is how I got into this idea of day care.

What are we doing in the State of Maryland? Well, it is difficult to develop workable regulations. The most difficult thing. Everybody knows how to do it. Everybody is better than anybody else.

So, one of the things we found, it was very difficult to do the regulations. And unfortunately, there is a tendency on the part of Government of course, we know everything and the private sector and everybody else really does not know. And so we put in so many regulations it is almost impossible for them to operate.

So, one of the things is to develop a workable regulation. And the next thing that I caution you on: do not get the Federal Government and the State Government so tied up in bureaucracy that nobody can operate. That is the most important thing. You do not have to over-regulate and set up the bureaucracy that is so great. And it can be done. It can be done because there is a limit in there on how long it will take for us to comply.

You must coordinate local, State and Federal roles. I found—and the reason I got interested—we had local rules, we had State rules, we had Federal rules, and so no one really knew where to go, all chasing all over the place trying to find out what the rule was to open up a day care center. And it was essential to build support. First of all, you have got to make sure that the parents believe us. Second of all, you have got to get the providers, the ones who really know how to run the day care centers.

We have run into trouble with religious organization because they said, "You are intruding in what we want to do." And they got up signs, "Schaefer day care people" and "religious organizations against Schaefer," and put up a whole bunch of stickers and all sorts of stuff. So, religious organizations gave us a problem.

Businesses, we had to assure them it was not going to cost them a tremendous amount of money. So, we did that.

And after we did all this, success is not assured. We must compete in the marketplace for quality, safety, convenience, and affordability of day care. There is no assurance in the very beginning that you are going to set up a day care center that is absolutely success-prone. And I will tell you what we did on that.

Now, what have we learned? The first thing, we streamlined the regulations. The State said, "These are the regulations for day care centers." And the difficulty I had with my own people. We wanted to regulate all the way down to the bottom on what would be in the subflooring. And that is bad. Do not overregulate.

And then streamline the regulations, one stop. So, we set up one place that you could go rather than a local, State, Federal and every place else trying to find out what we were doing. One place.

We sponsored partnerships with business. And this was important. How do you get business involved? The first thing we said, we need business in, "We want you to come in. We want you to put up half the money. We'll put up half the money. And we'll work on this day care situation together."

So, we started talking about loans and guarantees and technical help to set up onsite day care sites for employees. We got a man by the name of Stanley Wiles, who is president of Commercial Credit, got him interested in this, and said, "Mr. Wiles, we need you to help. How can we do it?"

So, he did. He came in and started working with us on day care and the business in the private sector. And that worked.

Initiate partnership with local Government, trying to stabilize and standardize zoning, licensing, and fire requirements. Everyone had a different requirement on that, so that a person in one community did not know what the other one was doing. So, we tried to standardize zoning and licensing to make it one.

Then we encouraged innovation. You are absolutely right, there is no one way to do this. There is no one way to do it. So, as much innovation as you possibly can in the approaches to child care, private and public and nonprofits, onsite, centrally located, and subsidized and market rate.

There was no one way. And when I talk about a number of—all right, what are we doing in Maryland. Okay. That is what we were doing in Maryland.

Now, what can you do? You are doing it. Do not get sidetracked. The time is now. Day care is now, not 10 years from now, not five years. Right now. We need the encouragement from the Federal Government that will say the Federal Government is interested in day care.

Now let me caution you, as a person who has been a mayor, now a Governor, when you get in, stay in. You do not have to over-regulate us, but make the commitment of the amount of money that you are going to make, and then set a time that we will know that we are going to have the support of the Federal Government for this length of time as far as day care is concerned.

Now, I have been in the past very enthused with things that the Federal Government has done, and they have pulled back on some of the things, and it has caused me some problems.

Okay. What do we need? Pass the bill now, provide low- and moderate-income families with day care. Provide for the working poor. Now, that is important because this group that I talked about the fact they cannot get jobs over in Montgomery County because there is no day care or there is no training for them.

Give States some flexibility on administrative costs. We already talked about that. It is not the amount of money; just let us be able to operate within the amount of money that you give us.

And allow for innovation. Do not totally restrict on what the various day care centers can do. You have got some time to give them an opportunity for innovation in the program.

Then, set minimum standards. You should set standards, and I do not discourage you from setting standards. In fact, I encourage you to because if you are putting up the money, you should be able to come over and say to me, "I want to look at what you're doing. I want to see what you're doing." So, minimum standards, I think, is important.

All right. Now, I set up day care. I said to our people. "We are going to set up a day care center." Being the Governor, all I had to do is snap my fingers, set up a day care center. The first thing I did was I ran into opposition and delay by my own people because it was something brand-new and they were not sure they wanted to do it.

So, we said to them, "Set up a day care center."

Where do you set it up? What building do you put it in? That was the next thing our people said, "How do you set these up? Do you set it up in the building, in an addition to another building?"

Okay. And we watched them operate. It took about nine months for them to go through all the regulations, finding the building, getting the provider, and then going out to get the parents to bring their kids in. You know, as soon as we opened it up, we thought, "Well, you're going to be flooded, flooded with applications."

Wasn't so. First of all, back to what I said, parents say, "Do anything to me, but don't touch my child." They wanted to be sure that our day care center was safe, that it was clean, that it was providing the right service. And now we are starting to get people in.

So, what I am suggesting to you is set up a Federal center. Take Prince Georges County, go over into Prince Georges County and get your bureaucrats to set up a center for Federal employees. Let them go through the routine somewhere, whether it is in Vermont or wherever it might be, set up a center yourself for Federal employees. Then there is a commitment; then you see how difficult it is to set one of these up, to live within the regulations, be able to move within a reasonable length of time, to be able to spend the money. Then you will be able to see what this difficulty is all about.

That is what I would like to see done. And that is what I have. So, we will get back to this young lady on our chart.

Now, after this testimony today, I do not know if you notice, her eyes have changed. [Laughter.]

[The prepared statement of Governor Schaefer follows:]

STATEMENT OF
WILLIAM DONALD SCHAEFER
GOVERNOR OF MARYLAND
ON THE
ACT FOR BETTER CHILD CARE SERVICES
BEFORE THE
U.S. SENATE LABOR AND HUMAN RESOURCES COMMITTEE
SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS, AND ALCOHOLISM
JANUARY 24, 1989

Mr. Chairman and distinguished members of the Subcommittee, thank you for the opportunity to share with you my concern about the pressing need for high quality, affordable, and accessible child care.

How America nurtures its children today will determine our prosperity tomorrow. When we look at our children, we are looking at our future. They are our most precious natural resource. They are our legacy.

The health and safety of America's children must never be compromised. In years past, most children had parents at home to look after them when they were infants and toddlers, and later, after school. Economic realities, however, have changed the responsibilities and roles of parents.

More and more families have two wage earners, or are headed by single parents, forced to work to make ends meet. Many American families simply cannot afford to have one parent stay home to care for the kids. In fact, a recent study commissioned by the House Select Committee on Children, Youth, and Families found that 35% more two-parent families would live below the poverty line if both parents were not employed.

Mr. Chairman, I am here today to support the Act for Better Child Care Services, the "ABC" bill. Unlike many other witnesses who will testify in favor of the bill, however, I have seen the system it establishes actually work. I have seen the minimum health and safety standards it creates ensure safety for the children of low and middle income families. I have seen the incentives it offers stimulate growth so that good day care became available to more families.

ABC is not an untried day care scheme. The bill will work. I know -- because it is already working for our children in Maryland.

Mr. Chairman, I firmly believe that the role of government is to help people. We help people by listening to their concerns, and providing services to satisfy their needs. Today, there are thousands of hard working men and women in my state who are concerned about finding a safe place for their children during the work day. Many are parents who, because of economic realities, need to work. Others are welfare recipients who want to work to get off public assistance and become self-sufficient. For these parents, the lack of good day care may prevent them from finding jobs.

Mr. Chairman, these people need our assistance. They need more day care centers that are affordable to middle and low income working families. Most importantly, they need the assurance that their children will be safe.

This bill is not only good for people--it's good for business. We all know that an employee who knows his child is in a safe environment has better morale, and that an employee who knows her child is being well cared for is more productive. Thus, ABC will help businesses recruit and retain employees, and raise the productivity and efficiency of those already working.

The health and safety of children should be our overriding concern when we provide day care, and ABC is the only legislation that adequately addresses this issue. Mr. Chairman, we owe it to the millions of working parents across this country -- whether they are two parents from the same family trying to make ends meet, or a single parent struggling to raise a family alone -- that when they drop off their child at day care to go to work, that child will be kept perfectly safe until they pick them up in the evening. A system of "caveat emptor" is simply unacceptable when it is our children that are at stake. The government must guarantee safety in child care.

The lack of good child care is a national problem, demanding a comprehensive solution. We must form a partnership between the federal government and the states to increase the amount of safe, affordable child care.

The first step in this partnership is the ABC bill. Mr. Chairman, as Governor of Maryland, I can tell you that I need the ABC bill. It will help make child care safer, less expensive, and easier to finds for thousands of families in my state.

In Maryland, we are working to increase the supply of safe and affordable child care. Last year, I sponsored a Child Care Initiative designed to help working parents by creating an environment to allow the expansion of available day care, while ensuring that the care provided is of the highest quality.

In Maryland, we have a history of ensuring quality in day care through vigorous enforcement of tough safety standards. In fact, Maryland is one of only three states in the country with a staff to child ratio of 3:1 for infants.

A major part of my Child Care Initiative was the consolidation of licensing and regulation of day care. This was designed to streamline the regulatory process to help providers comply with our standards, while still keeping our commitment to working families that their children will be safe. Over regulating will be counterproductive. Too much bureaucratic red tape will stifle the growth and development of day care. But when you're talking about the health and safety of our children, I think it is clear that minimum regulatory standards are essential. I am encouraged by the response to my program so far, and look forward to its implementation within the next few months.

I am proud to say that we have always had tremendous cooperation from the private sector. We have worked with day care providers to make sure that the climate in Maryland is favorable to industry growth. At the same time, businesses in Maryland have accepted reasonable health and safety regulations as necessary.

In addition to consolidating licensing and regulation of day care, we have begun to provide financial assistance to businesses trying to set up child care facilities. I have also established a work-site child care center at the Maryland Department of the Environment. This center is a pilot project that I hope will show all employers in Maryland the value of providing good day care for their employees.

Moreover, I recently have submitted a budget request that will increase the amount of state money for child care programs, including the establishment of a private/public partnership designed to provide regional resource and referral services throughout Maryland. We are also initiating partnerships with local governments to increase the supply of child care in their communities.

I also made available additional money for subsidized child care. This money will be used to purchase child care services for low-income families. By making licensed child care available to more low-income families, I have re-emphasized our commitment to helping our state's less advantaged citizens.

Under my proposal, we created an office of Child Care Coordinator. This person is responsible for overseeing the full implementation of the plan. In addition, the office will offer consulting and technical assistance to employers, and provide resource and referral services.

While I am confident these programs will increase the supply of day care in Maryland, it is essential that the federal government provide the state with resources that complement our efforts. We need the ABC bill to help us make day care safer, more affordable, and easier to find for millions of families in Maryland and across the nation.

The benefits of the ABC bill are:

** ABC requires all day care providers who receive federal assistance to meet minimum health and safety standards, thereby guaranteeing working parents that their children will be properly cared for during the work day. These standards will be developed over the next few years by child care experts, state and local government representatives, and members of the business and religious communities.

** ABC makes child care more affordable for low and middle income working families. The states are required to provide direct child care subsidies to low-income working families.

** ABC improves the availability of child care by allowing the states to use a percentage of federal funds for grants and low-interest loans to establish or expand child care programs; to recruit and train new providers, to help small business consortia establish day care programs. By providing funds to increase providers' access to affordable liability insurance, ABC also removes a major obstacle to potential day care providers.

** ABC provides the states with essential federal resources to complement their own child care initiatives.

I. Federal minimum health and safety standards are essential to protect the millions of children in day care.

Mr. Chairman, today's parents do all they can to keep their children safe. They closely scrutinize the toys they play with, food they eat, and clothes they wear. Because our world is so complicated, however, with thousands of children's products available to families, parents can't monitor everything. As a result, we the people, through the federal government act to ensure the health and safety of children. Children's toys, food, and clothing are all tested. Moreover, the federal government requires special caps on prescription drug bottles to prevent children from taking potentially harmful medication.

These practices are accepted by our society as necessary for the protection of children, because we recognize that our kids are often too young or inexperienced to know what is harmful to them. If it is good public policy to regulate what children play with, eat, and wear, is it not also prudent that we ensure safety in the places where they learn and grow while their parents are at work?

II. The ABC bill will help more families afford good child care by targeting money to people with low incomes.

All working families are vulnerable to the high cost of good child care. However, this burden is particularly severe for the millions of low-income families. The cost of day care in Maryland averages $2,900 a year, and can be as high as $4,000. The poor suffer most because they spend a greater portion of their income on child care. Moreover, their income level limits the choices available to them when deciding how to care for their kids during the work day.

Under ABC, states will allocate a large percentage of federal funds to provide direct assistance to low-income working families on a sliding fee scale. Consequently, the bill takes into account that while millions of parents throughout America cannot afford to stop working to care for their kids personally, these parents also cannot afford whatever high quality child care currently exists. By targeting money to those who need it most, ABC makes sure that child care is available to all families. States will have discretion to determine the allocation process, and parents will be able to choose from a wide range of child care providers.

III. The ABC bill will make child care easier to find.

All across America, the demand for day care exceeds the supply. In Maryland, more than 648,000 children under age 14 have working mothers. Of these, about 233,000 are under age six. While most of these children need some sort of care provided outside the home, there is room for only about 83,000 children with licensed day care providers.

The provisions of ABC allow use of funds for grants and loans to establish or expand child care programs. By subsidizing child care providers, states will be encouraging the growth of more child care centers. In addition, under ABC, extensive resource and referral networks will be established within the states to further increase the supply of child care.

IV. The ABC bill provides the states with essential federal resources to complement or expand state initiatives.

Child care is a national concern, that demands a national solution. Maryland, like many other states, has initiated programs to make day care safer, more affordable, and available to as many families as possible. Because of the scope of the problem, however, it is essential that the federal government provide the states with financial assistance.

If ABC was fully funded, Maryland would receive about $45 million for child care services. That is almost five times more money than we received last year under Title XX, the Social Services Block Grant. The extra money received under ABC would complement our efforts to help low and middle income families in Maryland find day care for their children.

V. Health and safety standards in Maryland have protected children without hindering industry growth.

Critics of ABC charge that requiring minimum health and safety standards will create an unworkable bureaucracy, and will stifle the growth and development of day care. Mr. Chairman, I am here to tell you these charges are false. I know the ABC bill will work nationally, because it is already working in my state. To illustrate, Mr. Chairman, I would like to place into the record a letter from Ms. Susan Barts, President of the Maryland Child Care Association, an organization comprised of day care providers, in support of ABC. As you can see Mr. Chairman, the very group that critics of ABC argue would be hurt by the bill, is willing to go on the record in favor of it.

Thus, I welcome the standards that will be formulated under ABC. While they ensure the health and safety of children in day care, they are flexible enough for states like Maryland to continue their own initiatives. Moreover, such standards will not be overly burdensome on providers.

There are many other potential solutions to the child care shortage problem. Chief among these other approaches is the use of tax credits to provide families with money to purchase child care.

For example, President Bush has proposed a child care plan based mainly on the use of tax credits. His $2.2 billion proposal establishes a children's tax credit for low-income working families, and modifies the existing dependent care tax credit. I applaud the President for devoting so much attention and resources to the child care issue.

While these ideas have merit and may be a positive addition to the ABC bill, they do not go far enough. Tax credits alone do not provide the comprehensive solution that is necessary. Specifically, these proposals do not adequately address the need to ensure health and safety for children. In addition, many fail to provide help for families with school age children. Moreover, it is unclear they will significantly make child care more affordable, particularly for low income Americans.

Mr. Chairman, the need for high quality child care is growing. It is the government's responsibility to assist the millions of working parents in Maryland and all across America who seek good quality child care. As public officials, that is our challenge. We must stimulate growth in the child care industry, while guaranteeing the health and safety of the millions of children who must be served.

Congress should pass the ABC bill this year because it is the only proposal that gives the states sufficient resources to implement and maintain child care programs, as well as the flexibility to meet local conditions. The bill will provide Maryland with essential support to complement our initiatives that help the thousands of working families in Maryland find safe child care for their kids. Mr. Chairman, the ABC bill is legislation whose time has arrived. It coincides perfectly with the ABC's of raising children today.

Thank you very much Mr. Chairman and distinguished panel for the opportunity to share my views with you. I will be pleased to answer any questions.

Senator **Dodd**. Understandably so.

Governor, we thank you for your testimony. I do not know how much time you will have. Maybe you will want to stay with us. Maybe some of your staff can stay. We are going to have some absolutely excellent testimony from the United States Army, which has had a remarkable child care program for a number of years. In fact, it is compelling testimony about standards and the kind of child care program they have that everyone should hear about across not only this country but around the world on military bases.

I should say we in the Senate as well have a child care facility, and before you leave, if you would like to stop and see it, it is right around the corner from here. We invite you to look at it.

But I think your point is well taken. We need to do it more broad-based as well in some of the agencies around the country.

Lieutenant Governor McCallum, we thank you for coming. You are very patient.

Governor Kunin, I gather you may be departing. We will perhaps send you some questions to which you could respond in writing, if that is appropriate.

Governor **Kunin**. That is fine, Senator.

Senator **Dodd**. We thank you for taking the time you did, and we apologize it went a little later.

Lieutenant Governor, we thank you for being with us this morning and look forward to your testimony as well.

Lieutenant Governor **McCallum**. Thank you. Actually, as Lieutenant Governor I am used to this, to having people get up, to have Governors leave.

Senator **Dodd**. Does your Governor do that? [Laughter.]

Lieutenant Governor **McCallum**. Let me thank you, Mr. Chair, and say that we run independently in a primary in Wisconsin and link up in the general. So, I will be speaking as an administration.

But your comment as to does a Governor do that, he apologizes for not being here today. I tried to encourage him to come, and I would give the state of the State in Wisconsin, but he deemed it more appropriate that I be here. [Laughter.]

Lieutenant Governor **McCallum**. Let me say that as we listen to testimony and as we go through this, I think few would disagree about the importance of child care. While there are some, I think generally there will be a consensus that child care is an important issue and becoming an increasingly important issue just by the mere fact of what is happening with the demographics.

I have been in the State Senate for 10 years, and I know there is always a chance, when you are third and following in testimony, of repeating and I will try to focus in on a few issues that have been touched upon.

As you commented in the introduction, I have been actively promoting employer-supported child care in Wisconsin. I have been a member of the national advisory panel on Child Care Action Committee as well as some other national groups on child care.

As well, I am the father of three young children ages six, two and one, and a working spouse. I have a working spouse, so I can speak from firsthand experience of various types of child care, the difficulties of finding that child care, and the great effort it takes for a family.

Let me say as well, despite the picture of a woman taking her child to work, I view this as a family issue and not as a woman's issue. I think we see increasingly that people do recognize that, and particularly the younger generation of men will recognize that it is important as a family issue.

Well, soon there will be a variety of child care proposals before Congress, each with its own particular focus. While it is encouraging to see the issues supported by members of both parties, we must make certain that the greatest number of people receive assistance without spending money needlessly and without inhibiting the flexibility of families, businesses and individual States.

Governor Thompson is concerned about several provisions contained in the 1987 Act for Better Child Care Services, the ABC bill. Those concerns included: the multibillion-dollar price tag in an era of massive budget deficits; as well as provisions mandating a 20 percent State match in funding; other Federal mandates; and the creation of costly layers of State bureaucracy, the feeling that that would only add to the tax burdens in our States.

Hopefully, with the new bill—and I apologize I was not able to get in in time to hear your press conference this morning—but I am hopeful that you have addressed all of those concerns and we can now move forward.

Despite our specific concerns with last year's ABC approach, the Thompson administration recognizes the need to address child care quality, affordability, and availability. And as you well know, the demographics do show the number of two heads of household, two working parents in a household, growing increasingly. By 1995 we anticipate three out of every four school children—three out of every four school children—will have both parents working.

In Wisconsin, as in many States now, economic development has become a catch phrase, and many things are able to pass because of the economic development label. But in particular, I think it is important to look at child care not as a social issue but also to link it and see how important it is to economic development. And as I say, in Wisconsin, for businesses to look at this solely in terms of business, they will make an economic decision to add child care either as an option or working with others to establish child care.

In fact, right now we are working with the Ford Foundation on a study to measure, to actually try to measure in dollars and cents, the impact upon businesses of setting up child care.

As well, as we look at the private sector in the State of Wisconsin, the fastest-growing small business by sector, the fastest-growing small business, with a 15 percent annual growth rate in the area, is the business of child care. And we will continue to look at that as a business.

Child care is now the fourth largest family budget item, after food, housing, and taxes. We are trying to change taxes in Wisconsin so that will no longer be third.

Governor Thompson does support President Bush's approach to address the child care issue. Through children's tax credit and the refundable dependent care tax credit, the President intends to attack the problem by supporting parental choice, not Federal mandates and an expanded child care bureaucracy. Parents and their children have a variety of child care needs, depending upon their individual circumstances. Ultimately, this Nation's child care policy must allow for parental individuality and support parental responsibility and authority.

In addition, support for Federal tax credits to help lower- and middle-income families pay for child care, this concept is also generating interest in Wisconsin and, I know, a number of other States, with the fiscal note being important to us, however.

When parents become involved in the choice process, the quality of the care environment improves dramatically, and the improvement of every child's opportunities must be our goal. Not only does the tax credit approach enhance parental choice and address quality, but it also stresses the individual nature of each State.

Now, historically States have developed in different ways, as have their decisionmaking processes and the ways in which they have responded to social problems. Any Federal child care policy must preserve State flexibility, helping States to implement programs and pursue their own fiscal responsibilities.

Presently, my office is surveying the 50 States to develop profiles of State efforts to promote and improve the child care system. The preliminary results indicate that the States are moving positively to address the issue.

Many States have implemented or are currently reviewing a variety of proposals, including tax credits for both families and employers who subsidize employee child care expenses; revolving loan funds for day care facility startup and expansion; the development of before and after school day care—we do require that in Wisconsin; model employer plans for State employees; Statewide resource and referral networks; grant programs for startup and expansion; development of public-private funding mechanisms to finance child care projects; and the establishment of insurance pools to lower the cost of liability coverage for child care providers.

In Wisconsin we are working to promote child care quality, affordability, and availability. We are confident that our system of child care training and regulation assures quality for Wisconsin families. Currently, Wisconsin has 1,400 licensed group day care centers, over 600 licensed family day care operations, and 2,700 certified family day care homes.

Our system is working for Wisconsin, and we want to continue controlling its development. We believe we have made great strides in making child care services more affordable for Wisconsin families. Since we took office in 1987, child care funding—and I hesitate to mention this because I do not think we always ought to measure our commitment to programs by funding—but our funding in Wisconsin has increased in the child care area by 149 percent, from $12.5 million to $31.3 million. These figures include an increase in State funding of $13.9 million, from $9.5 to $23.4 million.

The bulk of these increased day care funds became an integral component of the Governor's welfare reform policy. Any comprehensive child care policy must deal with the entire child care triad of quality, affordability and availability. Yet, we must remember that these three issues are interconnected. A program designed to address quality will invariably affect affordability and availability.

Programs that streamline the regulatory process and provide money to pay for child care services will stimulate market forces to increase the supply of quality child care services.

We believe any solution to the child care problem must recognize the role of American business, and hopefully your new measure does that, something that we have stressed in Wisconsin. Businesses are beginning to see that it is in their interest to pursue employer-supported child care programs.

In Wisconsin, one of the administration's child care programs was undertaken to help businesses explore employer-supported child care options. In particular, we have what is called the Clearinghouse for Work Place Child Care Options, located in the Lieutenant Governor's office, that was established in January of 1988 as a partnership between the administration and the university system. Clearinghouse staff provides information to employers interested in child care options and also offers technical assistance to employers actively pursuing a child care program for their employees.

So, once an employer asks for information, we have a data book, we can refer them to other businesses that have gone through experiences in child care, and encourage them to look at a variety of options. I think the first thing that businesses tend to think onsite child care, whereas there are many different types of options.

We then, as they continue to show interest, will provide free consulting services to the businesses to set up their child care for employees.

In its first year of operation, the Clearinghouse has received more than 300 requests for information from employers, Chambers of Commerce and service organizations.

Ultimately, this committee must develop a comprehensive answer to the question about Government's role in child care. In Wisconsin we believe that Government's role is to help increase the availability of quality and affordability in child care. As you struggle to develop the answers to our child care problem, I urge you to support efforts to establish cooperative relationships with the Nation's business, labor, and educational communities. We believe the key component of any bill passed by Congress should be cost-effective public-private partnership. In this manner, Government can help without forcing, but can help the private and nonprofit sectors meet our child care needs without imposing rigid policy guidelines or overburdening the taxpayers of Wisconsin or this country.

Thank you.

[The prepared statement of Lieutenant Governor McCallum follows:]

Office of Lieutenant Governor
State of Wisconsin

Scott McCallum
Lieutenant Governor

TESTIMONY OF
HONORABLE SCOTT McCALLUM
LIEUTENANT GOVERNOR
STATE OF WISCONSIN

BEFORE THE

U.S. SENATE LABOR AND HUMAN RESOURCES COMMITTEE
SUBCOMMITTEE ON CHILDREN, FAMILY,
DRUGS AND ALCOHOL

JANUARY 24, 1989

Room 22 East • State Capitol • Madison, WI 53702 • (608) [illegible]

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, GOVERNOR THOMPSON WAS UNABLE TO ADDRESS YOU IN PERSON TODAY BECAUSE HE IS PREPARING TO DELIVER THE STATE OF THE STATE ADDRESS TOMORROW MORNING. HE HAS ASKED ME TO EXTEND HIS BEST WISHES TO THE COMMITTEE AND HIS HIGHEST REGARDS FOR THE IMPORTANT TASK YOU HAVE UNDERTAKEN HERE TODAY.

ON BEHALF OF THE THOMPSON ADMINISTRATION, I AM PLEASED TO HAVE THE OPPORTUNITY TO PARTICIPATE IN THIS HEARING ON "CHILD CARE QUALITY." IT IS VITALLY IMPORTANT FOR THIS COMMITTEE TO REVIEW THE CURRENT STATE OF CHILD CARE IN AMERICA, AND ALSO TO DISCUSS THE IMPLICATIONS OF THE VARIOUS CHILD CARE PROPOSALS.

AS LIEUTENANT GOVERNOR, I HAVE ACTIVELY PROMOTED EMPLOYER-SUPPORTED CHILD CARE IN WISCONSIN. I AM ALSO A MEMBER OF THE NATIONAL ADVISORY PANEL OF THE CHILD CARE ACTION CAMPAIGN, AN ACTIVE CHILD CARE SPOKESMAN, AND THE FATHER OF THREE YOUNG CHILDREN, AGES SIX, TWO, AND ONE.

SOON, THERE WILL BE A WIDE VARIETY OF CHILD CARE PROPOSALS BEFORE CONGRESS, EACH WITH ITS OWN PARTICULAR FOCUS. WHILE IT IS ENCOURAGING TO SEE THE ISSUE SUPPORTED BY MEMBERS OF BOTH PARTIES, WE MUST MAKE CERTAIN THAT THE GREATEST NUMBER OF PEOPLE RECEIVE ASSISTANCE WITHOUT SPENDING MONEY NEEDLESSLY AND WITHOUT INHIBITING THE FLEXIBILITY OF FAMILIES, BUSINESSES AND THE INDIVIDUAL STATES.

I AM CONCERNED WITH SEVERAL PROVISIONS CONTAINED IN THE 1987 ACT FOR BETTER CHILD CARE SERVICES, THE ABC BILL. THOSE CONCERNS INCLUDE THE MULTI-BILLION DOLLAR PRICE TAG IN AN ERA OF MASSIVE BUDGET DEFICITS, THE CREATION OF YET ANOTHER LAYER OF FEDERAL BUREAUCRACY, FEDERAL REGULATION OF CHILD CARE PROVIDERS, AND THE PROVISIONS MANDATING A 20 PERCENT STATE MATCH IN FUNDING. ADDITIONAL FEDERAL MANDATES, AND THE CREATION OF COSTLY LAYERS OF BUREAUCRACY, WILL ONLY SERVE TO HEAP ADDITIONAL TAX BURDENS ON THE TAXPAYERS OF WISCONSIN AND THE NATION.

DESPITE OUR CONCERNS WITH THE ABC APPROACH, THE THOMPSON ADMINISTRATION RECOGNIZES THE NEED TO ADDRESS CHILD CARE QUALITY, AFFORDABILITY, AND AVAILABILITY. THIS ADMINISTRATION'S INTEREST IN THE CHILD CARE ISSUE STEMS FROM A THREE-FOLD CONCERN -- THE QUALITY OF LIFE EXPERIENCED BY THE FAMILY, THE INTELLECTUAL AND SOCIAL DEVELOPMENT OF OUR CHILDREN, AND THE PROMOTION OF A PRODUCTIVE AND COMPETITIVE ECONOMY IN BOTH WISCONSIN AND THE NATION AS A WHOLE.

WISCONSIN FAMILIES, LIKE MANY AMERICAN FAMILIES, ARE FACING CHILD CARE PROBLEMS. WOMEN ARE NOW ENTERING THE WORKFORCE IN RECORD NUMBERS, LEAVING TWO-INCOME AND SINGLE-PARENT FAMILIES STRUGGLING TO PROVIDE QUALITY CARE FOR THEIR CHILDREN. BY 1990, 80 PERCENT OF THE MOTHERS WITH CHILDREN UNDER ONE YEAR OF AGE WILL BE WORKING AND LOOKING FOR QUALITY CHILD CARE. NATIONWIDE, IT IS ESTIMATED THAT 11 MILLION CHILDREN CURRENTLY REQUIRE CHILD CARE. BY 1995, 3 OF 4 SCHOOL AGE CHILDREN WILL HAVE BOTH PARENTS IN THE WORKFORCE.

THESE DEMOGRAPHIC TRENDS INDICATE CONTINUING INCREASES IN THE DEMAND FOR CHILD CARE SERVICES. ALTHOUGH CHILD CARE SERVICES CONSTITUTE A RAPIDLY EXPANDING SMALL BUSINESS SECTOR, THE PRIVATE SECTOR SIMPLY HAS NOT MET THE COUNTRY'S CHILD CARE NEEDS. TO COMPOUND THE PROBLEMS OF QUALITY AND AVAILABILITY, FAMILIES MUST ALSO GRAPPLE WITH THE ISSUE OF AFFORDABILITY. CHILD CARE IS THE FOURTH LARGEST FAMILY BUDGET ITEM -- AFTER FOOD, HOUSING, AND TAXES.

RECENTLY, ECONOMIC ANALYSTS HAVE POINTED OUT THAT MANY AMERICAN WORKERS LACK THE SKILLS FOR THE DEMANDING JOBS OF THE 1990s AND BEYOND. MANY STRONGLY SUGGEST THAT WE TAKE GREATER CARE IN EDUCATING THE WORKFORCE OF THE 21st CENTURY. QUALITY, AFFORDABLE CHILD CARE WILL ENHANCE THE ENVIRONMENT FOR THE EARLY SOCIAL AND INTELLECTUAL DEVELOPMENT OF OUR CHILDREN. WE MUST STRIVE TO PROVIDE THEM WITH EDUCATIONAL OPPORTUNITIES BEFORE FORMAL SCHOOLING BEGINS AT AGE FIVE. WE SIMPLY CANNOT AFFORD TO NEGLECT THE SAFETY, WELL-BEING, AND EDUCATIONAL DEVELOPMENT OF THOSE WHO WILL BECOME THIS NATION'S FUTURE.

THE THOMPSON ADMINISTRATION SUPPORTS PRESIDENT BUSH'S APPROACH TO ADDRESS THE CHILD CARE ISSUE. THROUGH A CHILDREN'S TAX CREDIT AND A REFUNDABLE DEPENDENT CARE TAX CREDIT, THE PRESIDENT INTENDS TO ATTACK THE PROBLEM BY SUPPORTING PARENTAL CHOICE, NOT FEDERAL MANDATES AND AN EXPANDED DAY CARE BUREAUCRACY. PARENTS AND THEIR CHILDREN HAVE A VARIETY OF CHILD CARE NEEDS, DEPENDING UPON THEIR INDIVIDUAL CIRCUMSTANCES. ULTIMATELY, THIS NATION'S CHILD CARE POLICY MUST ALLOW FOR PARENTAL INDIVIDUALITY AND SUPPORT PARENTAL

RESPONSIBILITY AND AUTHORITY. IN ADDITION TO OUR SUPPORT FOR FEDERAL TAX CREDITS TO HELP LOWER AND MIDDLE INCOME FAMILIES PAY FOR CHILD CARE, THIS CONCEPT IS ALSO GENERATING INTEREST AT THE STATE LEVEL.

BY THE VERY TITLE OF THIS HEARING, WE ALL RECOGNIZE THE IMPORTANCE OF CHILD CARE QUALITY. PARENTS CAN BEST ENSURE THE QUALITY OF THEIR CHILD'S CARE ENVIRONMENT WHEN THEY HAVE THE BROADEST RANGE OF OPTIONS FROM WHICH TO CHOOSE. BY LOOSENING THE CONSTRAINT OF PRICE THROUGH TAX CREDITS, LOWER AND MIDDLE INCOME FAMILIES WILL HAVE THE OPPORTUNITY TO BECOME MORE INVOLVED IN CHOOSING CARE.

WHEN PARENTS BECOME INVOLVED IN THE CHOICE PROCESS, THE QUALITY OF THE CARE ENVIRONMENT IMPROVES DRAMATICALLY. AND THE IMPROVEMENT OF EVERY CHILD'S OPPORTUNITIES MUST BE OUR GOAL.

NOT ONLY DOES THE TAX CREDIT APPROACH ENHANCE PARENTAL CHOICE AND ADDRESS QUALITY, BUT IT ALSO STRESSES THE INDIVIDUAL NATURE OF EACH STATE. HISTORICALLY, STATES HAVE DEVELOPED IN DIFFERENT WAYS, AS HAVE THEIR DECISION-MAKING PROCESSES AND THE WAYS IN WHICH THEY HAVE RESPONDED TO SOCIAL PROBLEMS. ANY FEDERAL CHILD CARE POLICY MUST PRESERVE STATE FLEXIBILITY, HELPING STATES TO IMPLAMENT PROGRAMS AND PURSUE THEIR FISCAL PRIORITIES.

PRESENTLY, MY OFFICE IS SURVEYING THE 50 STATES TO DEVELOP PROFILES OF STATE EFFORTS TO PROMOTE AN IMPROVED CHILD CARE SYSTEM. PRELIMINARY RESULTS INDICATE THAT THE STATES ARE MOVING POSITIVELY TO ADDRESS THE ISSUE. MANY STATES HAVE IMPLEMENTED OR ARE CURRENTLY REVIEWING A VARIETY OF PROPOSALS INCLUDING TAX CREDITS

FOR BOTH FAMILIES AND EMPLOYERS WHO SUBSIDIZE EMPLOYEE CHILD CARE EXPENSES, REVOLVING LOAN FUNDS FOR DAY CARE FACILITY START-UP AND EXPANSION, THE DEVELOPMENT OF BEFORE AND AFTER SCHOOL DAY CARE, MODEL EMPLOYER PLANS FOR STATE EMPLOYEES, STATEWIDE RESOURCE AND REFERRAL NETWORKS, GRANT PROGRAMS FOR START-UP AND EXPANSION, THE DEVELOPMENT OF PUBLIC/PRIVATE FUNDING MECHANISMS TO FINANCE CHILD CARE PROJECTS, AND THE ESTABLISHMENT OF INSURANCE POOLS TO LOWER THE COST OF LIABILITY COVERAGE FOR CHILD CARE PROVIDERS.

IN WISCONSIN, THE THOMPSON ADMINISTRATION IS WORKING TO PROMOTE CHILD CARE QUALITY, AFFORDABILITY, AND AVAILABILITY. WE ARE CONFIDENT THAT OUR SYSTEM OF CHILD CARE TRAINING AND REGULATION ASSURES QUALITY FOR WISCONSIN FAMILIES. CURRENTLY, WISCONSIN HAS 14-HUNDRED LICENSED GROUP DAY CARE CENTERS, OVER 600 LICENSED FAMILY DAY CARE OPERATIONS, AND 27-HUNDRED CERTIFIED FAMILY DAY CARE HOMES. OUR SYSTEM IS WORKING FOR WISCONSIN AND WE WANT TO CONTINUE CONTROLLING ITS DEVELOPMENT.

THE THOMPSON ADMINISTRATION HAS MADE GREAT STRIDES IN MAKING CHILD CARE SERVICES MORE AFFORDABLE FOR WISCONSIN FAMILIES. SINCE GOVERNOR THOMPSON TOOK OFFICE IN 1987, CHILD CARE FUNDING IN WISCONSIN HAS INCREASED 149 PERCENT, FROM $12.5 MILLION TO $31.3 MILLION. THESE FIGURES INCLUDE AN INCREASE IN STATE FUNDING OF $13.9 MILLION, FROM $9.5 MILLION TO $23.4 MILLION. THE BULK OF THESE INCREASED DAY CARE FUNDS BECAME AN INTEGRAL COMPONENT OF THE GOVERNOR'S WELFARE REFORM POLICY.

ANY COMPREHENSIVE CHILD CARE POLICY MUST DEAL WITH THE ENTIRE CHILD CARE TRIAD -- QUALITY, AFFORDABILITY, AND AVAILABILITY. YET, WE MUST REMEMBER THAT THESE THREE ISSUES ARE INTERCONNECTED. A PROGRAM DESIGNED TO ADDRESS QUALITY WILL INVARIABLY AFFECT AFFORDABILITY AND AVAILABILITY. PROGRAMS WHICH STREAMLINE THE REGULATORY PROCESS AND PROVIDE MONEY TO PAY FOR CHILD CARE SERVICES WILL STIMULATE MARKET FORCES TO INCREASE THE SUPPLY OF QUALITY CHILD CARE SERVICES.

ANY SOLUTION TO THE CHILD CARE PROBLEM SHOULD RECOGNIZE THE ROLE OF AMERICAN BUSINESS. BUSINESSES ARE BEGINNING TO SEE THAT IT IS IN THEIR INTEREST TO PURSUE EMPLOYER-SUPPORTED CHILD CARE PROGRAMS. STUDIES SHOW, AND COMMON SENSE TELLS US, THAT QUALITY, AFFORDABLE CHILD CARE BENEFITS ENHANCE EMPLOYEE PRODUCTIVITY. PARENTS CANNOT DO OUTSTANDING WORK WHEN THEY ARE WORRIED ABOUT THE QUALITY OF CARE THEIR CHILD RECEIVES. CHILD CARE BENEFITS ALSO REDUCE EMPLOYEE ABSENCES, TARDINESS, AND TURNOVER; WHILE ENHANCING EMPLOYEE MORALE AND THE EMPLOYER'S PUBLIC IMAGE.

IN WISCONSIN, ONE OF THE ADMINISTRATION'S CHILD CARE PROGRAMS WAS UNDERTAKEN TO HELP BUSINESSES EXPLORE EMPLOYER-SUPPORTED CHILD CARE OPTIONS. "THE CLEARINGHOUSE FOR WORKPLACE CHILD CARE OPTIONS" WAS ESTABLISHED IN JANUARY, 1988 AS AN INNOVATIVE PARTNERSHIP BETWEEN THE THOMPSON ADMINISTRATION AND THE UNIVERSITY SYSTEM. THE CLEARINGHOUSE STAFF PROVIDES INFORMATION TO EMPLOYERS INTERESTED IN CHILD CARE OPTIONS AND ALSO OFFERS TECHNICAL ASSISTANCE TO EMPLOYERS ACTIVELY PURSUING A CHILD CARE PROGRAM FOR THEIR EMPLOYEES. IN ITS FIRST YEAR OF OPERATION, THE CLEARINGHOUSE RECEIVED MORE THAN 300 REQUESTS FOR INFORMATION FROM EMPLOYERS, CHAMBERS OF COMMERCE, INDIVIDUALS, AND SERVICE ORGANIZATIONS.

ULTIMATELY, THIS COMMITTEE MUST DEVELOP A COMPREHENSIVE ANSWER TO THE QUESTION, "WHAT IS GOVERNMENT'S ROLE IN CHILD CARE?" IN WISCONSIN, WE BELIEVE THAT GOVERNMENT'S ROLE IS TO HELP INCREASE THE AVAILABILITY OF QUALITY, AFFORDABLE CHILD CARE.

AS YOU STRUGGLE TO DEVELOP THE ANSWERS TO OUR CHILD CARE PROBLEM, I URGE YOU TO SUPPORT EFFORTS TO ESTABLISH COOPERATIVE RELATIONSHIPS WITH THE NATION'S BUSINESS, LABOR, AND EDUCATIONAL COMMUNITIES. I BELIEVE THAT A KEY COMPONENT OF ANY BILL PASSED BY CONGRESS SHOULD BE A COST EFFECTIVE PUBLIC/PRIVATE PARTNERSHIP. IN THIS MANNER, GOVERNMENT CAN HELP THE PRIVATE AND NONPROFIT SECTORS MEET OUR CHILD CARE NEEDS WITHOUT IMPOSING RIGID POLICY GUIDELINES AND OVER BURDENING THE TAXPAYERS OF WISCONSIN AND THE UNITED STATES.

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Senator **Dodd**. Thank you very much, Lieutenant Governor. We appreciate again your being with us here this morning.

Let me just ask you a couple of quick questions if I can.

You point out one of the obvious questions that comes up when you talk about any of the proposals we are addressing, which is the impact on our present deficit, a major concern to all of us. And you suggest in your testimony that obviously with the ABC bill, which has an authorization of $2.5 billion, you have got to at least talk about where the resources are going to come from to offset that.

But as you know, an authorization, of course, requires an appropriation. And one of the advantages of this is that you can make determinations year in and year out as to how much you can actually commit to that particular authorization.

The tax credit in the President's proposal is about $2.2 billion or $2.3 billion.

Lieutenant Governor **McCallum**. In that range.

Senator **Dodd**. Of course, once a tax credit is adopted, it is not something you control. Once it is in, it is the law, and it goes.

I wonder how you might justify your statement that you are concerned about the ABC bill in terms of its deficit implications and you do not express similar concerns with the tax credit proposal.

Lieutenant Governor **McCallum**. Senator, you are correct. I learned the difference between the authorization and appropriation when I ran against Senator Bill Proxmire six years ago. [Laughter.]

I understand there are quite a few votes for the authorization, but the appropriations were not necessarily following.

I personally believe—and I was requested to testify on behalf of the administration—the Washington Post had an editorial last year, and I am hopeful that you are going in the direction of that editorial, which I thought was quite appropriate, that the ABC bill was too expensive and there are flaws with the tax credit proposal as well and what we ought to try to do is take the best from each. And that is, allow the maximum flexibility by States, which a tax credit proposal will do, allowing parental choice, that option, while not having it quite so expensive.

As we look at the tax credit in Wisconsin, we have tried to take different approaches. One would be businesses encouraging businesses to set it up and allow a tax credit in that respect. But we find in the State itself, it is prohibitively expensive to follow what you are trying or what even the President would do.

Senator **Dodd**. I appreciate that, and I think that is a good point.

The question on choice, of course, is one that comes up repeatedly. And again, I would invite you, because there have been some changes in the bill that we have introduced from the one that was introduced last year. One of the major new elements is the business involvement as well as assisting with low-interest loans for families and others who want to have the home-based child care program so they can make whatever modifications they think are necessary to comply.

But the choice is one that comes up. So, we have maximized choice here in all. One of the assumptions, I think, is that with a tax credit you automatically get choice, you get involvement. Our bill insists that one of the standards is that there be parental involvement. So, we set that as a standard.

With the tax credit, if you are shopping, there is no requirement that any of the facilities where you might go would necessarily require or allow parental involvement.

So, I think it is important to kind of keep in mind that in terms of parental involvement—if you insist that it be a part of this program—there is a greater guarantee, I would think, that you are apt to get it with ABC than sort of hoping it occurs with the tax credit.

And I make the point particularly in regard to the poor. Affluent people can shop. We do it for everything. We shop because we have far more choices and the flexibility of looking around for what will best serve our needs.

Poorer people, which we are both determined to focus our attention on, whether it be through a tax credit approach or through this approach, have less choice, many times. They do not have the ability or the flexibility or the mobility to go beyond, sometimes, the immediate geographic area where they live. That choice becomes limited the further down the economic scale and without requiring that those providers in some way meet some minimum standards, the poor are affected the most. Again the data is overwhelming. You see a dramatic drop-off, a dramatic drop-off, when you look at the choices lower-income persons are faced with.

I do not know if that has been the experience in Wisconsin as well.

Lieutenant Governor McCALLUM. Well, let me say that one of the things that we are going to try to do in Wisconsin as we look ahead and look at it as a small business is target the minority community, particularly in Milwaukee, and look at it as a business and help the minority community start up, which really solves two problems: the child care problem, as well as getting people involved in the business.

Senator DODD. Absolutely. That is a good point, and I agree with it. One of the things you have heard Senator Hatch and me say, is that a combination—trying to find some mix—makes some sense because you have very legitimate needs. $32,000 under our bill would be 100-some-odd percent of median income for the family of four. You get up to $35,000 or $40,000, with four or five children, there is tremendous need.

So, some sort of mix and marry here, it seems to me, is going to make some sense along the way in trying to accomplish our desired goals. You have anticipated that a bit with your point a moment ago that there is a combination that would make some sense.

The last point I would raise with you again comes back to the whole standards issue. I know in your State you originally required under the law that there be a ratio of three to one between the child care workers and infants. You decided, and I think appropriately so, that that was a little too tough, and so you made it one to four.

Now, some States have seven, eight, nine to one, or no standards at all in this area. They are not just a handful, there are many that fall into this category. If in fact we are going to provide assistance, whether it be through tax credits—which is a subsidy or supplement—or through direct assistance, shouldn't we at least be requiring, as you do in Wisconsin, that no provider in Wisconsin can receive assistance from the State of Wisconsin unless they have a ratio of four to one—that is the law in your State. Should we do anything less, the Federal Government, in providing assistance to people with providers?

Will we insist upon some minimum standards that have been pretty much reached? I mean these are not standards set up by some Senate staff people; they are standards that have been arrived at through the accumulation of expertise in the field without regard to ideology—just what seems to work best.

Shouldn't we take your tax dollar, either through a tax credit or directly through a program, and insist that it be invested wisely and not be subsidizing what could turn out to be a very unhealthy kind of environment for children?

Lieutenant Governor McCALLUM. The point of this question is no different than many others we hear, and that is basically the role of the Federal versus the State Government. And I have come down on the side of State Government, that we can maximize the input of State-specific needs by allowing the States to regulate it. And I would guess as a United States Senator you would come down on the side of the Federal Government.

Senator DODD. Well, not necessarily. I think there are good arguments. One of the things we have done is to allow maximum flexibility for the States. We take local issues in consideration and provide a maximum amount of time so that States have a chance to say, "Look, we've got a unique situation here."

I do not believe in jamming these things down people's throats at all. I am just trying to see to it that we set standards like we do for toys.

Lieutenant Governor McCALLUM. I know.

Senator DODD. Your children, your little children, you would want us to set a standard on the toys you buy for your kids. You would want us, I presume, to set a standard on the food that your child eats. You would even want us to set a standard on the clothes your children wear. You do it in hot lunch programs, you do it in Head Start, you do it in the Social Security Act, in Medicaid. We do it in waste pollution programs, the Clean Air Act, you can go down the whole list.

I mean I think you would insist that we do that in some ways. I hope you would insist that we do it. Shouldn't we insist that the person who watches your kid for eight hours a day meet some standards as well—like the toys your child plays with, the clothes your kid wears, the food your kid eats? Is it really any different to set minimum standards in those areas?

Lieutenant Governor McCALLUM. Well, if you look specifically at child care in Wisconsin, we do set standards, and I believe we ought to. I cannot speak for other States. They may have different needs in those other States. That is why I believe—and as you know, we exceed what would be required under Federal regulations.

Senator DODD. I know you do. That is terrific.

Lieutenant Governor McCALLUM. Now let me say on the other side, I am concerned if you go too far on some of these, that because of the shortage of child care, you would actually establish a black market. The need is so great that you are forcing people out of the whole licensing process.

And for that reason as well, I promote having very low fees on the licensing. I would rather bring people in under the umbrella with a minimum of standards.

Senator **Dodd**. I agree.

Lieutenant Governor **McCallum**. And that is my approach in Wisconsin.

Senator **Dodd**. I do not disagree with that at all.

I would just invite, by the way—and I should have mentioned this earlier—we have a couple of charts up here that have examples of statutes requiring State compliance with Federal standards. And up here, parental choice and involvement in child care, ABC versus the tax credit. If you were to say we are going to do either one or the other—and take a look at them—it is interesting to see what you get.

There is an assumption with the tax credit. In fact, with the tax credit, you do not have to work; you could be staying at home and collecting the tax credit. There is no requirement that you actually be working. So, you are taking dollars and putting them in a situation where I think you and I would agree that you get the ideal child care, and that is the parent's home. Should we be taking a dollar and investing it in that situation and thereby losing that dollar for a family that is forced into the situation of having to be in the work force.

But anyway, I really do thank you for coming a long way.

Senator Coats.

Senator **Coats**. Thank you, Mr. Chairman.

I would like, before I ask Lieutenant Governor McCallum a couple of questions, to reflect on a couple of things here. I think we all leave hearings like this with certain images in our mind and certain phrases stick, certain pictures leave an impression. I would like, I guess, to ask all of us involved in this process to think about those perceptions and how they relate to what we are really about here.

I was concerned with the picture of the woman with the child under her arm and the briefcase in her hand that Governor Schaefer said is the woman who has to work. It looked to me like that woman represented someone from probably Montgomery County who wants to works, who perhaps has an M.B.A. or a law degree, is off to a firm and probably married to a professional. And that is fine. That is her choice. I am not questioning that.

But in a time of limited Federal resources, I would think the better impression we ought to have in our minds as we address this question is the picture of a woman perhaps from a family where her husband is a laid-off steel worker. She is not wearing a $200 or $300 suit, but maybe a $20 cloth dress, and she does not have a nice $100 leather briefcase in her hand, but maybe a sack lunch. And she is not off to a law firm for $60,000 to $80,000 yearly salary with three or four weeks of vacation and so forth, and flextime, but she is off to an assembly line, working in an electronics factory or she is a clerk in a retail store and she is out there hustling to barely make the mortgage payments, buy the kids food and clothes and help out with the family that is struggling.

Or perhaps a better picture is of a single woman whose husband has left her in the lurch with three kids at home and whose husband falls in that category of 60-plus percent of husbands who ignore a court's order to provide child support, who cannot be tracked down by any lawyer because he has moved to a different State, and who is not providing any income or support for that family. That mother is struggling to keep her family together.

Or perhaps it is a mother whose child never has known who his father is. It is an illegitimate child and the mother is struggling in the welfare system or we are encouraging that mother through welfare reform to get out of the welfare system.

It seems to me that is the image of the mother needing child care that we ought to have in our mind and that we ought to be addressing here today.

And I appreciate, Lieutenant Governor McCallum, the fact that your program in Wisconsin is a targeted program that really focuses the attention on who I think the mothers are that really need the child care assistance.

I am also concerned about an impression left that I think leaves a bias as to who gets the support. Governor Kunin used the illustration of the company in the State of Vermont as a model company that provided $20 a week to be used in licensed care centers. I do not dispute that that is that company's choice or their employer's choice.

On the other hand, I wonder about the mothers that work at those companies who would feel more comfortable about having their child not in a licensed day care center but at their mother's home or their sister's home or their next-door neighbor's home. Mothers who just feel because of friendship or relationship, that their child would receive more love and better care in that home and the mother would be more comfortable with that than they would be at a licensed center.

Not that there are not abuses in those situations. There are abuses, as I have said in my opening statement, in all situations, and we all ought to be concerned about that. But it is clear that not just out of economic necessity but out of a desire to provide their children with the very best of care they have chosen something other than a licensed day care center.

So, legislation that directs our support merely to licensed day care centers I think is ignoring the choice that a lot of mothers have made.

Finally, I am concerned about—I wish Governor Schaefer were here to ask how he addressed it—his reference to the fact that he had problems from the religious organizations about day care. Some of the very finest child care facilities I have visited were those conducted and sponsored by religious institutions—some Jewish, some Protestant, some Catholic, a number across the spectrum of religious belief and thought.

They seem to me to have a bonus going for them that other centers did not; and that is, because of their religious beliefs or their religious commitment, people in the church were voluntarily giving time or working for very low wages because they saw this as part of their need to provide service to their fellow churchgoers or the neighborhood or whatever area that they were serving.

Those institutions have some very legitimate concerns about Federal standards and about who qualifies for money.

And given the number of statutes on the books and the requirements that religious organizations must adhere to, many of those organizations have said we will have to go it alone.

I just wonder if it is fair to the mothers and fathers of young children who have within their church community or within their neighborhood a center where they would feel most comfortable about placing their children, to exclude those centers from financial assistance that might be available.

So it is those impressions I would hope that we would think about as we move forward to develop what I think we all want, and that is compassionate and caring and effective and efficient Federal child care legislation.

Now, Lieutenant Governor McCallum, I wonder if I could as a matter of placing in the record, ask you to address something that is somewhat confusing to me. I have before me here a letter dated July 25, 1988, from the National Governors' Association when Governor Sununu was then Chairman, and signed by Governor Clinton, Governor Kean of New Jersey, and Governor Castle, who is Chairman of the Committee on Human Resources. I quote from that letter, which was addressed to the Chairman of the Committee. He said,

> While we believe a national child care policy must support families, we believe that a national child care policy must support families in their primary role of nurturing and caring for children. It should enable parents to choose the most appropriate child care option, whether it is family, in-home, or center-based. At the recent winter meeting, the Governors adopted a policy that outlines the parameters for such an effort.

That goes to a point I made earlier.

> Secondly, the establishment of national standards and the total cost of the bill continue to concern us. While we recognize the need for well-developed child care standards, the regulation of child care has been and should remain a State responsibility. We do not believe that the standards should be mandated by the Federal Government. Varying State infrastructures, economic conditions and geographical differences make it necessary for a national child care policy to be flexible enough to address individual State needs. Median national standards cannot address all of these variations.

Now, I guess my question is, Are the Governors divided on this; does this represent a consensus policy adopted in July? Has that policy changed? To Governor Kunin and Governor Schaefer, are they dissenters to that policy? What are we to conclude about the positions of the Governors in the States who will be charged with the responsibility of carrying out whatever legislation we pass?

Lieutenant Governor McCallum. Well, Senator, I wish I could say I was a member of that body; however, I am not.

Senator Coats. Well, you are representing a member.

Lieutenant Governor McCallum. But let me respond by saying I believe overall as Governors look at it from their State perspectives, overall they would prefer to have incentives, support to encourage them to move in a direction, but not have mandates requiring the States to do something.

Senator Dodd. I would say that we had both Governor Kean and Governor Clinton testify at the time of that letter on the child care proposals, and in fact a lot of the recommendations which are in the Dodd-Hatch bill are ones that were made by some of the Governors.

Traditionally, I guess Governors are uneasy, as the Lieutenant Governor has pointed out, about an area where we have mandated—as Mayors get concerned about Governors. I am sure if you take this on down, you will hear a Mayor come and tell the Governor, "What are you trying to mandate at the local level?"

But anyway, there was good testimony, and I'll get you a copy of it.

Senator COATS. Well, Mr. Chairman, I would ask that this letter be placed as an official part of the record. I guess it is still operative, unless it has been rescinded or retracted, but I would like to at least have a part of the record the acknowledgment that the official position of the National Governors 'Association is that standards not be mandated and be set at the State level.

And finally, Lieutenant Governor McCallum, let me just ask you if you would care to to respond to my question regarding the limited resources we have available and how they ought to be targeted.

Lieutenant Governor MCCALLUM. Well, I can tell you we have limited resources in each State as well. We have targeted, as you suggest, employers, because generally employers will have the people working and have the need within that; we have also worked with the private sector, not only targeting employers, but looking for grants and asking businesses to handle the child care themselves.

I believe if you look at the cost benefit, maximizing use of tax dollars, we help the business set it up, and then we're out.

Part of our battle is the public relations aspect to convince businesses how important this is. I think we are overcoming that in Wisconsin, as witnessed by the number of businesses that have shown an interest and the number of businesses that are setting up child care. I suspect we are ahead of other States in Wisconsin.

But the States that are not ahead, those States that are behind, will slip behind in economic development as well, and I say that not only because of the number of women entering the work force, but because of the shortage of labor, and the need for having women in the work force. If you can't attract labor and qualified labor, you are going to slip behind. So I see it as a very important economic development tool.

Senator COATS. Thank you.

Thank you, Mr. Chairman.

Senator DODD. Thank you.

Senator Kassebaum.

Senator KASSEBAUM. Thank you, Mr. Chairman.

As you know, I think it is very important that we not lose sight of the fact that the problem is there is not adequate, affordable, quality child care. That is the problem. And how we address it and where some of the responsibility lies, I think, is what we are struggling to find.

I am sorry that Governor Kunin and Governor Schaefer had to leave, because they are two Governors who have recognized the problem, have worked in a very creative way to address it in their States. And I would like to have asked them why they support, say, the ABC Bill over a block grant approach; or if they feel that their current State regulation are inadequate. It seems to me both of them have given some top focus to those issues and have recognized that to attract business, to provide quality of life, to meet the changing demographics, it is important for them as Governors to provide leadership.

And Wisconsin is recognizing this as well. I certainly think that you have provided some interesting comments, Lieutenant Governor McCallum. And I would like to ask you if you have done an assessment of child care needs in your State, and if you have, what did you find were the greatest needs—or, the great need, perhaps I should just ask.

Lieutenant Governor McCallum. If you look at needs overall—and I do not know if you are referring to particular—we have 300,000 children with needs; we have almost 4,000 right now on waiting lists—but the waiting lists, as you know, do not reflect the actual need. Over one-half is in unregulated child care in Wisconsin. As we look ahead to next session, what we will be doing this next year in targeting child care needs would be the health care profession; rather than waiting for businesses to contact us now, we will be actively working with businesses, and we will target the health care industry.

Senator Kassebaum. In the ABC Bill, it would require child care providers to complete at least 40 hours of training over a two-year period. Does your State require this type of training?

Lieutenant Governor McCallum. Yes.

Senator Kassebaum. Is it 40 hours, and who does that training?

Lieutenant Governor McCallum. We have got a vocational school system that does the training; we also have an extensive nonprofit organization, both referral and to help with training. We have the requirement for that, but again, would I want it required in other States—I think it would have to depend on each State. I would not mind if there were incentives to encourage them to a minimal stage. And giving my response to your Chair is that if you make the regulations too difficult, I think people are going to eliminate them entirely and set up a black market of child care.

Senator Kassebaum. I would guess you might support a block grant approach rather than the ABC approach, with its mandated requirements.

Lieutenant Governor McCallum. I would. And I can tell you, from our perspective in the Lieutenant Governor's office, I think there is very much an untapped source in the private sector right now—people who are willing to help, and a number of businesses I have worked with who have helped through our grants line in our budget in the Lieutenant Governor's office. I know Johnson's Wax has been very supportive; Wisconsin Power and Light—I could go through and identify businesses that have helped set up conferences, have helped run conferences, have helped me with transportation, have helped do mailings—our Wisconsin Manufacturers Association, our Chamber of Commerce, did a Statewide mailing to businesses, and in fact, this afternoon I was to have been on a panel sponsored by the Chamber of Commerce. Local chambers are doing the same thing.

So I think of that as very much an untapped resource. We don't need to use the tax dollars to do this. We ought to look to the private sector. And I think all of us have been negligent in reaching out and working with the university system and the private sector as we ought to.

Senator **Kassebaum**. Thank you.

Thank you, Mr. Chairman.

Senator **Dodd**. Thank you very much again, Lieutenant Governor. There may be some questions from other Members, and we will submit those to you.

We thank you for being with us and being so patient.

Our colleague, Pete Wilson of California, is here this morning and has been very patiently waiting. I am going to call him to come up and simultaneously, a witness from his home State, Mrs. Cheri Robertson, a parent from Temecula, California.

We are honored to have Senator Wilson here with us as well as we are you, Mrs. Robertson. I should point out as well that Senator Wilson has a strong interest in the child care issue. His colleague, Senator Cranston, has also been strongly active on the issue of child care. So we appreciate Senator Wilson's being here with us this morning.

We also have Mrs. Jane Snead and Mrs. Linda Hartshorn, along with Dr. Richard Clifford and Mrs. Deanne Dixon. I will ask those other witnesses to hold up a minute while Senator Wilson proceeds.

Pete, welcome.

STATEMENT OF HON. PETE WILSON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator **Wilson**. Mr. Chairman, thank you.

I would like to thank the subcommittee for allowing me the opportunity to testify today, and I particularly want to take the occasion to, I would say, not just acknowledge but commend the efforts that you have made in giving personal leadership and focusing attention upon the need to increase the availability of safe and affordable day care to the working parents of America. And, although we may disagree on precisely the proper approach, we both share the goal of enacting child care legislation in the 101st Congress, legislation that can be supported by a majority of our colleagues and signed by the President.

And I do very seriously and with great enthusiasm commend the effort that you have put into this legislation.

Like you and Senator Kassebaum, I am an optimist—all of us who have chosen this primitive art form of politics and Government for self-expression are, almost by definition.

And because of that optimism, I am convinced that we can forge a consensus on this issue and in fact that we are going to be required to because of the urgency of the need.

For the sake of the millions of American working families for whom the shortage of day care really has become a terrible dilemma, we must make every effort to avoid a repetition of the impasse that occurred at the end of the last Congress, where I think again, everyone was agreed upon need, but we did not leave ourselves adequate time to really pursue the different approaches. And by your early action in the Subcommittee, I think we have a very good chance to avoid that and actually bring about a resolution.

To be sure, there are differences. There are several major policy obstacles that remain on the path of reaching that consensus. So let me, with your indulgence, pursue a few of the obstacles that I perceive and address them.

First and foremost, I think, clearly from the testimony that you have heard this morning is that there isn't yet agreement on what the Federal role should be in defining a solution. And I believe that of all the obstacles we face, perhaps that is going to be the most difficult. It may be that it is difficult both because there are differences in philosophy, and also there is a difference in perception, at least on the part of some of the witnesses, as to the actual workability of a generalized prescription as opposed to the greater flexibility that would flow from what Senator Kassebaum has termed as a block grant approach.

On the one hand, there are those who advocate that the Federal Government should be the sole provider of care—and by that, I do not mean the direct provider; I mean in effect the sole arbiter of who it is that will provide care and how it will be provided. Through a multi-billion grant system, States under the approach would be required to in effect purchase slots in Federally pre-approved daycare centers for lower-income families. And there is no question that that approach certainly will increase the access which those lower-income families presently enjoy.

But the concern that I have with that approach of so many slots for so many dollars is that in contrast to a more flexible approach, it would seem that we would be limited under the initial authorization that is being proposed to approximately 750,000 children per year or about 75 percent of the total child care need in my State of California alone.

A second problem, you have heard about this morning again, the problem of parental choice and the feeling on the part of many that under the approach of the Federal mandate, parental choice would be limited in that families would be forced to accept child care services from only those facilities or those individuals which meet certain Federal standards.

And as you have heard this morning, there are a number of people who think that if that is the situation, if your choice is either to take the Federally-approved and Federally-funded child care, or to have no assistance, that that really is not adequate choice; that it is instead the kind of well-motivated overseeing that really does not allow choice, that does not encourage it, that in fact destroys it, effectively, for those who are, because of low income, as you so eloquently placed before us this morning, not in the position of the affluent and of being able to shop around.

Many of us think that they should be able to shop around, and that is central to the concern, I think, that has prompted some of us to provide for an alternative to the Federal mandate that is prescribed in the ABC Bill.

Frankly, we believe that there are better ways to ensure access to quality care while at the same time protecting parental rights. And whether it is to be financed by a tax credit for low- and modest-income families, or through a State grant program whereby the Federal Government makes available to the States, on a matching basis, in addition to a tax credit, some kind of grant that will encourage. The basic point, really, is who it is that will determine what kind of care and whether or not there will be a limitation—not just a dollar limitation, but a limitation born of the prescribed standards.

And you have heard a number of people this morning, all of whom I think share equally a concern that there be quality child care, who regard that as a necessity. You have heard a great difference of opinion with respect to whether or not even an experienced, thoroughly well-motivated, national advisory panel setting that standard, setting it irrevocably so that even the Secretary of Health and Human Services is unable to amend it, can respond to the infinite variety that exists in not just different States, but different communities.

And I would suggest that my own home State makes a fascinating case study. We have become the melting pot of the universe, not the country. I take some pride, as you will understand being yourself a man of sophisticated taste, that perhaps only in Los Angeles can one go to a number of places within the city and, for lunch, have a kosher burrito with a kimchi side order.

We have quite literally, in recent years, become a tremendously cosmopolitan area, not just in Los Angeles, but in Fresno and in the Bay area, and in my hometown of San Diego. Those multi-ethnic and multi-cultural considerations have bred a complexity that really would be a challenge, I think, to virtually anyone—positively Solomon-like—in trying to prescribe too rigidly standards that do not take into account the very great cultural differences that in fact exist, beginning most obviously with difference that have to do with communication and learning, differences of language.

Mr. Chairman, a related issue which I believe has to be resolved if we are going to pass a child care bill, one that is really going to be responsive to need, is this question of who it is that should prescribe the standards and how. And what you have heard this morning, I think, from Senator Coats as well as from Lieutenant Governor McCallum and from others, is a concern that a "one size fits all" or a Federal commission approach really is not the best way to go.

If we adopt a solution that limits a State's ability to be responsive to its unique needs, to the different cultural requirements of different communities, the I think the unhappy result would be that we will fail to be responsive, and in some instances, it could actually work a disruption of present services and create a disincentive to the establishment of new services.

Instead, I think we should allow the States to set standards which we deem to be necessary for the protection of our children, and we should require that they ensure compliance with those standards.

The most obvious concern in this regard has to do with child abuse. And indeed, you will hear from my fellow California, Cheri Robertson in very eloquent testimony which I know you will listen to very carefully and indeed should.

But there is a concern for these basic requirement that does not, in my judgment and in the judgment of many others, require that we necessarily preempt the creativity and the flexibility which

State Government, it seems to me, should enjoy in setting these basic standards.

We ought to encourage the States to expand the current child care services and to develop new programs. And in addition, barriers to the provision of child care in the private sector, the most obvious of which perhaps is the skyrocketing cost of liability insurance must be addressed and eliminated.

Mr. Chairman, I have spoken to those issues which I believe must be given careful consideration. If they are not addressed I think our chances for success will be greatly diminished. I think that we will find ourselves once more in a situation similar to that which so disappointed all of us last year.

Certainly, we have got to be mindful that the President has stated that he supports legislation which offers choice, and when he says "choice", I think that we need to understand that by that he means choice to the States through flexibility in developing child care programs, choice to the private sector through the elimination of barriers to the provision of daycare services through the protection against liability. I think that, perhaps more than any grant, any incentive, through a tax credit, is essential if we really expect the small businesses that employ the vast, vast majority of working parents to really provide on- and near-site premises for child care. I think that must be addressed. And again, my own experience as a Mayor in a city in which there was one large city and many small ones, as we faced the increasing cost of liability, my city had a sufficient tax base and deep enough pockets not only to attract plaintiffs' attorneys, but to be able to self-insure. But the smaller cities did not.

What we did do, jointly, was to engage in a pooling of risk of that permitted each of those smaller cities, which by itself was incapable without sufficient deep pockets to self-insure, to collectively self-insure.

We need to afford that kind of pooling of the risk as the response, so that those who fear liability will overcome that fear and instead be able to go forward with the creation of new facilities, which is so much a part of the lack that we face.

We have been focused on the demand, and quite understandably. We need to focus on how it is that we can increase the supply—and not just by Federal dollars, but also by the collateral efforts to provide incentives or to remove in this instance, the major disincentive that I think is hamstringing private efforts to provide daycare for the employees of small business in particular.

Mr. Chairman, on Wednesday I will reintroduce the KIDS bill, an acronym for "Kids in Daycare Services Act", which builds upon not only the President's proposals, but in fact, some of your own, some of Senator Hatch—if plagiarism is the sincerest form of flattery, be flattered. I have been ecumenical in my approach, and eclectic, and I think that the alternative that the KIDS bill provides will be one that will offer a basis for comparison, and I hope that from the choice, we will be able to afford the American people choice, the working parents—the kind of choice which I know you believe in as well.

I think that we can reach a reasonable compromise, again, one which I hope the President will sign into law. I would ask unanimous consent of the subcommittee that a summary of the content of the bill be included in your record.

And finally, Mr. Chairman, again with my thanks to you not only for your courtesy this morning, but for the considerable leadership you have exerted in this critical field, let me formally now introduce Mrs. Cheri Robertson of Temecula, California, who will be testifying before the subcommittee.

Mrs. Robertson's commitment to improving the quality of child care services is more than admirable. Indeed, her efforts to prevent the kind of personal tragedy suffered by her own family demand our attention as well as our commendation. I look forward to hearing her testimony.

So I thank you, Mr. Chairman, and Senator Kassebaum, for the opportunity to appear before the subcommittee this morning.

Senator DODD. Without objection, the outline of your legislation will be included in the record at this point, and your full statement if there is any variation.

[Information supplied follows:]

SUMMARY OF MAJOR PROVISIONS OF THE WILSON KIDS BILL

Dependent Care Planning and Development Program

- Reforms current Dependent Care Planning and Development Program into $400 million grant program to the States for the development of child care services (requires 15 percent State funding match).
- Requires States to make grants to eligible entities for at least two of the following child care projects:
  - certificate/voucher program for low and modest income families;
  - expansion of existing child care programs if such programs are consistent with the purposes of the KIDS Bill;
  - establishment/operation of community or neighborhood child care centers;
  - after-school programs;
  - programs to recruit/train seniors as child care providers;
  - child care programs for migrant worker families;
  - programs for the temporary care of sick children;
  - training programs for child care providers; or
  - any project consistent with the purposes of the KIDS bill.

State Responsibilities

- As a condition for receipt of program funds, States must:
  - provide technical assistance to eligible entities;
  - establish a system for criminal and child abuse records checks for group-based and family-based child care;
  - investigate alleged child abuse in child care projects receiving assistance;
  - coordinate projects receiving assistance under the KIDS Bill with existing programs;
  - establish regular communications with registered, licensed, and accredited child care providers; and
  - establish a consumer education program to inform parents and public about standards and programs.

State Standards

- A further condition for receipt of Dependent Care Program funding is that States must establish standards for child care in both family and group-based settings including:
  - licensing/registration standards for family-based and group-based child care;
  - inspection/certification of family-based and group-based child care;
  - minimum competency requirements, including health and first aid training, for child care center directors/teachers/operators;
  - staff/child ratios for child care centers; and
  - thresholds for family/group-based child care (the point at which a family-based child care provider becomes a group-based provider, measured by the number of children).

Liability

- Authorizes $100 million for child care liability risk retention groups.

Family-Based Compliance with State Standards

- Authorizes $25 million revolving loan fund for capital improvements to family-based child care facilities.

Seniors as Child Care Providers

- Exempts from the Social Security earnings test for recipients age 62 through 69 income earned from the provision of child care.

Tax Credits

- Makes current Dependent Care Tax Credit refundable;
- Creates new refundable Children's Tax Credit providing families with incomes of $16,000 and under (rising to $20,000 over four years) a credit up to $750 per child under age five up to $1,500; and
- Provides for a new small business tax credit of up to 25 percent of expenses up to $100,000 for the establishment of an on-site or near-site child care facility.

Reporting Requirements

- Requires the Secretary of Health and Human Services to report to Congress regarding Federal and state child care efforts;
- Requires States to report to the Secretary of Health and Human Services regarding child care activities to ensure compliance with requirements of KIDS Bill; and
- Requires Office of Personnel Management to conduct a feasibility study of offering child care as a benefit to federal workers.

President's Award for Excellence in Child Care

Establishes Presidential Award to recognize employers who have successfully implemented personnel programs and policies responsive to the child care needs of their workers.

Sense of the Senate

- Expresses the sense of the Senate that the most desirable child care legislation would maintain State flexibility in developing programs, remove barriers encountered by business in providing child care, and preserve parental choice in selecting child care services.

Research Fund for Chemical Alternatives

- establishes $420 million research fund to assist user industries and chemical producers in developing alternatives to ozone depleting chemicals.

Offset

- Phases out Dependent Care Tax Credit for families with adjusted gross incomes of $50,000, gradually eliminating the credit for those with adjusted gross incomes of $78,500 or more; and

- Imposes $1 per pound excise tax on ozone depleting chemicals, increasing to $4 per pound in Fiscal Year 1990.

Cost

Costs (over four years)	($6.745) billion less
Children's Tax Credit	($3.000) billion
Dependent Care Program	($1.600) billion
Liability Risk Pool	($0.100) billion
Capital Improvement Loan Fund	($0.025) billion
Dependent Care Credit Refundable	($1.600) billion
Research Fund for Chemical Alt.	($0.420) million
Offset (over four years)	$4.760 billion
Phase-out of Dependent Care	$2.100 billion
Ozone Depleting Chemical Tax	$2.660 billion
Total Four-Year Cost (excluding small business tax credit)	$1.985 billion
Total Four Year Cost of ABC Bill	$10.000 billion+

Senator DODD. We again thank you for coming by and sharing your thoughts with us on this issue. Obviously, we will be moving forward in the next few weeks and months, and the importance will be with the House moving in its direction, with the President, and with our ideas here. If we can keep our eye on the ball, I think we can come out of this with legislation that will make some sense to everybody. That really is the goal, I think, to do what is right.

I do not sense here—I think there are some philosophical overtones, but by and large I think it is a question of what works, and if we can keep it on what works, I think we will be okay. Trying to fashion something that we can afford to do—that is another problem; frankly, I am amazed that didn't come up as the first question in the press conference—maybe people do realize that finally, this is something we have to do, and there is going to be a cost associated with it.

Anyway, thanks, Pete, for being here this morning.

Nancy, do you have any questions for Pete?

Senator KASSEBAUM. No. I appreciate the thoughtful comments, and I share the chairman's observation that we are all trying to find something that we hope will answer the problem that exists, and I am confident we can find that.

Senator DODD. Thank you, Pete, very much. I don't know if you want to stay, or head out——

Senator WILSON. I will stand in the back of the room for as long as I can. I had hoped to become a member of this committee and this subcommittee, Mr. Chairman, but seniority is a virtue that I am coming to understand I don't have quite enough yet to have achieved that.

Senator DODD. How angry are you at Senator Kassebaum?

Senator WILSON. No; I am delighted with Senator Kassebaum, and in fact, I am proud that there was sufficient interest on my side to deprive me of that opportunity. I think the committee is in very good hands—but it would have been a pleasure to meet with you even more regularly.

Thank you.

Senator DODD. Come by any time, and I mean that.

Mrs. Robertson, we are delighted to welcome you.

Mrs. Snead, Mrs. Linda Hartshorn, Dr. Richard Clifford, and Deanne Dixon, please come to the table.

I have read through all the testimony, and we are running later than I had hoped. If you could try and limit your comments, I think you can share most of your testimony with us in five or six minutes. I would appreciate it if you could keep it to that, so we can get to some questions right away, and not hold you up any longer than you have already been held up this morning.

We really do want to thank all of you for coming here, particularly those of you who have flown, Nancy, all day yesterday many of these witnesses were winding their way across the country to get here for this morning's hearing. First, I am personally deeply appreciative of your willingness to come here; and second, to share your stories again—because I know in a number of cases here, you have already shared your story with others, but it is no less painful to do it again and again. But you really do make a significant contribution to this debate, because now it is not just numbers we are talking about, or statistics and data; we are talking about some real folks who face some real problems with this issue. And there are countless thousands of people across this country who can just begin to understand what you have been through.

So I personally thank you very, very much for being here.

Mrs. Robertson, I will call on you first and go in the order you have been presented to the committee. Thank you for being here.

STATEMENT OF CHERI ROBERTSON, PARENT, TEMECULA, CA; JANE SNEAD, PARENT, SPRINGFIELD, VA; LINDA HARTSHORN, PARENT, SEWARD, NE; DR. RICHARD CLIFFORD, PROFESSOR, UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL, N.C.; AND DEANNE DIXON, PARENT, MONTGOMERY COUNTY, MD

Mrs. Robertson. Thank you.

I am pleased to be here to testify in favor of the ABC bill. As the mother of a son almost killed in licensed daycare, I can personally tell you how inadequate the standards are.

My then ten and a half month-old son was shaken by Mary Koehler, a licensed family home daycare provider. Mary shook my son hard enough to equal him falling off the roof of a two-story building and landing on concrete.

My son is partially blind and partially paralyzed. Why would a licensed provider shake a baby? Because she didn't know that shaking could hurt him. A small amount of education could have prevented my son from living a handicapped life.

In California, a licensed daycare provider is fingerprinted, and checked against the California fingerprints, the child abuse registry, and the FBI fingerprints if they have lived in California for less than two years. They also have a TB test and an inspection of the home. If a provider is going to care for more than six children, the provider has to prove the ability to care for children.

There is no education or knowledge of children required. The contrast is Colorado, where the facility or home is licensed, but the provider is not.

There are 16 convicted felony child abusers in licensed daycare homes in Colorado right now. This is from the 1988 Colorado report from licensing Department of Social Services.

Each State is so different in its daycare regulations, a child is at risk in every State. You see, by not having standards, even minimal, the counties, States and Federal Government are setting up our children for death or injuries.

A CPR class, basic first aid, and a minimal child development class could mean the difference between life and death for those who cannot speak for themselves.

The Government has standards for Head Start Programs and a lot of other programs. Those children can tell us about abuses; our children could not—they did not have the choice. They were too young to talk.

Not all daycare providers are grandmas or nextdoor neighbors. The grandmas I know work, and some of them don't even live in the same State. They aren't able to take care of their grandchildren.

As mothers, we have to work. Ultimately, the responsibility of choosing daycare is ours. We will accept that responsibility if you will guarantee us some minimum standards.

I did a lot of polling in San Diego County. The Family Home Daycare Providers Association, along with licensing and resource and referral agencies, are in favor of the ABC bill. It would be interesting to have someone figure out how much is spent on Social Security insurance and States' aid on children abused in daycare. My son's expenses so far have totalled over $60,000.

In Texas, Bradley, a then nine-month-old baby, was shaken by a provider. He is now a vegetable. The State of Texas pays approximately $385,000 every year for in-home ICU and full-time nursing care.

In Oakland, California, six-month-old Elizabeth was shaken by a nanny. She is totally blind and partially paralyzed. She will receive Social Security insurance all her life.

For every dollar we spend on daycare today, we will save $4.75 for children in a generation down the road. The first five years are the most important. If a child is abused, it affects every person in our society. We will pay for our children one way or the other. I prefer to use that money for prevention instead of the aftermath of child abuse.

Please make standards uniform in every State. Our children are our Nation's most precious natural resource. Don't let what happened to our children happen to even one more child.

Thank you.

Senator DODD. Thank you very much, Mrs. Robertson.

Mrs. Jane Snead, a parent from Springfield, Virginia.

Mrs. Snead, you have been very courageous in the past. There have been numerous articles written about what has happened, and I again deeply appreciate your willingness to come here this morning and be with us.

Mrs. SNEAD. Thank you, Senator Dodd, and to the Children's Defense Fund for making it possible for me to be here today and sharing our story with everyone, and also the newspapers and TV, who have been very supportive in giving us the opportunity to voice our views and to tell our story.

This is a picture of Ashley. It was taken about a month before she died.

Our ten-month-old daughter died in a daycare provider's home. An autopsy revealed that Ashley died from a massive overdose of imipramine poisoning. The antidepressant drug was provided for the daycare provider because of her chronic depression.

The State medical examiner found evidence of 25 tablets, 25 milligrams each, of imipramine and desipramine, which is the metabolized form of imipramine, in Ashley's blood and liver. Because the level of desipramine was higher than the level of imipramine, the doctor felt that Ashley had ingested the tablets for three or more days, and that the morning of her death, she had gotten between six and nine tablets that morning.

We found Mrs. Guba's name on a country referral list. I interviewed Mrs. Guba in her home. She is a mother and a grandmother. She seemed very loving. She said she charged a little more than others because she gave extra special loving care. She told me about herself, which I found out later was false; most of the information she gave me about herself was false.

She always seemed eager to greet Ashley in the morning. She would call me at work to tell me if Ashley had sat up, or she had stood up for the first time, or she was beginning to say "mama, mama" and "dada", and she would call me and tell me when she said a word.

We could not do any background checks into this woman because the Right of Privacy Acts prevents us as parents from doing any type of legal investigation into her past. And Mrs. Guba was an unlicensed and unregulated daycare provider.

Our case was brought before a juvenile court judge but was thrown out due to insufficient evidence. If it had not been for the perseverance of the two homicide investigators, the prosecutor, our private investigator, and our attorney, the case would never have gotten to the grand jury resulting in criminal trial.

We have also learned that victims and children have very few rights.

It was also learned during the criminal trial that Mrs. Guba was found guilty of neglect of two of her own daughters in the State of Virginia in 1968, and she has several felony convictions in several States.

Mrs. Guba was charged with child neglect. She was found guilty and received the maximum sentence of ten years in the State prison. She could be out on parole within 18 to 24 months. She was sentenced in March of 1988.

I am very thankful that the Supreme Court gives the victim the right to appeal when the convicted goes before the parole board.

One very upsetting fact to me was when I asked our lawyer one day what assurance do I have that Mrs. Guba cannot go to another State, move to another State and start daycare again, and of course, there is no assurance. If she is going to a State that is unregulated, or they do not do any background checks, it is possible she could go to another State and do daycare again.

One of the disturbing comments that came from the trial was during the testimony from one of the other parents who had children in Mrs. Guba's home was that the parent had noted that Ashley was not always active, and she was sometimes fastened in a carseat or strapped in a high-chair, very lethargic. But to keep the other parents from talking to me about this, Mrs. Guba told them that Ashley was a Down's Syndrome baby, and that I was very sensitive and they should not speak to me because I was so sensitive about Ashley. So that is why none of the other parents ever spoke to me about this. But Ashley was a very normal, healthy little baby.

The Children's Defense Fund booklet, "Child Care: The Time is Now", states how the ABC bill is organized. The bill was formed by more than 70 national organizations, all concerned with the welfare of America's children and working families. I understand the Federal Government is trying to cut down on Federal spending, but our children need regulation, and we need quality care, affordable care. We cannot let our children down. They are our future.

In Nation's Business in May of 1988, on page 22, it summarizes the ABC bill. It would establish a national advisory committee to set standards in five areas: child/staff ratios; staff size; health and safety; qualifications for daycare providers, and parent involvement.

I think the majority of people are concerned about Federal regulation of daycare providers.

I was so happy to hear this morning that both of our political parties are trying to work together to get a workable means of regulation for child care.

I know a part of me and a part of Ron died the day that Ashley died, and we know how precious a child is.

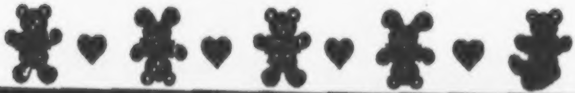
Bless you all for coming today.

Senator Dodd. Thank you, Mrs. Snead, very much.

[The prepared statement of Mrs. Snead follows:]

Ashley MacKay Snead

September 25, 1986   8 lbs, 2 oz
Ron and Jane Snead



ASHLEY DIED JULY 28, 1987

Tuesday, January 24, 1989

Honorable Members of the United States Senate

Our ten month old daughter died in a day care providers home. An autopsy revealed that Ashley died from a massive overdose of imipramine poisoning. The antidepressant drug was prescribed for the day care provider because of her chronic depression. The toxicologist (Anh N. Huynh), found evidence of 25 tablets of 25 milligrams each of imipramine and desipramine (metabolized form of imipramine) in Ashley's blood and liver. Because the level of desipramine was higher than the level of imipramine the toxicologist felt that Ashley had ingested the tablets for three or more days and that Ashley had six to nine tablets the morning of her death.

We got Mrs. Guba's name from a county referral list. I interviewed Mrs. Guba in her home, she is a Mother and a Grandmother, she seemed very loving, she said she charged a little more than others because she gave extra special, loving care, she told me about herself, (much of her personal story was false), she always seemed eager to greet Ashley in the morning, she would call me at work to tell me if Ashley had sat up, said a word, stood up, if Ashley was sick, etc. **She was a con!** She knew exactly what to say to me to make me feel comfortable about a situation. We could not have done any back ground checks into Mrs. Guba because the Right of Privacy Act prevents us as parents from doing any type of legal investigation. Mrs. Guba was an unlicensed and unregulated day care provider.

Our case was brought before a Juvenile Court Judge, but was throw out due to insufficient evidence. If it had not been for the perseverance of the two homicide investigators (Gary Healy and John Stone), the prosecutor (Raymond Brownelle), our private investigator (Gene Cohenour) and our attorney (Quin S. Olson), the case would never have gotten to the grand jury resulting in a criminal trial. We learned too that victims and children have very few rights.

It was also learned during the criminal trial that Mrs. Guba was found guilty of neglect of two of her daughters in the state of Virginia in 1968. She has felony convictions in several states.

Mrs. Guba was charged with child neglect. She was found guilty and received the maximum sentence of ten years in the state prison. She could be out on parole within eighteen to twenty four months. Mrs. Guba was sentenced in March of 1988. I am very thankful that the Supreme Court gives the victim the right to appeal when the convicted go before a parole board. One very upsetting fact is that Mrs. Guba could get out of prison, move to another state (not licensed or regulated) and start keeping children again. Many states do not have laws to stop her. How many states would allow Mrs. Guba to provide day care?

One of the disturbing comments from the trial testimony was that some of the other parents of children in Mrs. Guba's home noticed that Ashley was not always active (sometimes fastened in a car seat, or strapped in a high chair, very lethargic), but to keep the other parents from talking to me, she told them that Ashley was a downs syndrome baby and she stated that "you don't talk to Jane about this because she is very sensitive concerning Ashley". This was not the case, Ashley was a normal, healthy baby.

The Children's Defense Fund booklet "Child Care: The Time Is Now", states how the ABC bill was organized. The ABC bill (Alliance for Better Child Care) was formed by more than seventy national organizations, all concerned with the welfare of America's children and working families. The federal government is trying to cut down on federal spending, but we must do something to help the needs of our children, our children are our future.

Nations Business, May 1988, page 22, "The ABC bill would establish a national advisory committee to set standards in five areas":

- Child staff ratios
- Staff size
- Health and safety
- Qualifications for day care providers
- Parent involvement

The majority of the *people* are concerned about federal regulation of day care providers.

Thank you for giving us the opportunity to voice some of our feelings. A part of me and a part of Ron died the day Ashley died. We truly know *A Child is the Most Precious Gift*.

Bless you all for coming here today to listen.

Senator **Dodd**. Mrs. Hartshorn.

Mrs. **Hartshorn**. Senator Dodd, I'd like to thank you for inviting me here today so I can tell you my son, Danny's, story. I did bring his picture, too, that he might be here with me—I know he is here in spirit.

My name is Linda Hartshorn, and I live in a rural farming community in Nebraska. I have always been of the opinion that we in the rural areas are somewhat immune to crime, but my illusions were shattered last summer, in July of 1988.

All children are special gifts, but Danny came to us in a truly miraculous way. After several years of attempting pregnancy, surgery, infertility testing, denials by adoption agencies because of my husband's age, and waiting, we became the adoptive parents of Daniel Aaron Hartshorn.

He was a special little boy from the first day we brought him home. He was loving, even-tempered; he was a dark, curly-haired baby, who captured the eye of nearly every grandmother who saw him. The word "love" doesn't do justice to the feelings that my husband and I had for our son—in short, he gave us the happiest 21 months that any parent could be blessed with.

I returned to work six weeks after we received Danny, out of necessity—not because I didn't want to stay home with my baby that I had waited so long for.

A phone call from my unlicensed babysitter last July 14th changed our happiness into tragedy. She told me that Danny had vomited, and that he was sick. She thought that I should come.

I arrived at the house to find my Danny blue, unconscious and in uncontrollable seizures that lasted for the next 16 hours. A rescue squad had not been summoned.

Danny lived for three days on a respirator, while one misdiagnosis after another was made. The babysitter denied any knowledge of anything that could direct us to any cause of his illness. The respirator was turned off after a test showed brain death three days later.

Danny's autopsy findings showed a large skull fracture and swelling of the brain from multiple areas of impact to his head. The babysitter has been indicted on three counts of child abuse—he had suffered some earlier bruises that she had blamed on her six-year-old and a fall. And one count of manslaughter has been filed as a result of his death, and we are waiting for the arraignment.

Why did I choose this woman? She was a friend of ours; I had known her for about four years. She asked to babysit for me. She was also from a well-thought-of family in the community, and my child was the only child that she babysat for. From all outside appearances, things appeared very clean and safe. Her home was babyproofed for her own children, and she had a wonderful play area for the child. Everything appeared perfect.

I had just removed Danny from a babysitter three months previously whose husband had been accused of sexual assault of a stepdaughter, so I had moved him.

Two weeks prior to Danny's death, we were considering changing again. For two reasons, we stayed. I never thought once that the bruises had not occurred as she had told me—from her six-year-old and a fall. And Danny was a typical clumsy 21-month-old. It never entered my mind that an adult could be responsible.

I would like to add that I am a registered nurse. I have been trained to recognize signs of child abuse and neglect, but I did not recognize it in my own son.

Also, babysitters are hard to find. A friend of mine that was looking for daycare told me she called 15 babysitters before she found one where she could place her child. I definitely didn't want to go to the daycare center in town, as it always appeared to crowded, and I didn't want him to be exposed to the disease, accidents, and peer influence that being around 30 or 40 other kids might cause.

I don't know why or how my child was beaten to death.

Parenting is probably the hardest and most demanding job that any of us are faced with. We are to raise our children with the values and skills that will be necessary to cope with the demands of a society more complicated than we can imagine, yet we all go into this job as novices—with no experience, we are on our own.

I urge you to adopt the Act for Better Child Care so that affordable child care can be offered to all, and so that child caregivers can provide a safe and healthy environment to our children left in their safekeeping, and also so that parents can learn to select quality daycare without learning from experience as we did.

You ask where are we going to get the money for this Act? Well, they have told me that we will be lucky to get by with $60,000 to prosecute this woman, and his hospital bill was $17,000, plus the loss of a productive life.

A system that does not allow for regulation of daycare givers, proper follow-up of child neglect and abuse, and affordability of good daycare will not provide our children with the abilities to cope with a demanding future.

My son's death is still so fresh in my memory. It helps to ease the pain to know that in some way it might not have been just an unfortunate sign of our times if I can persuade you to support the Act for Better Child Care Services.

Senator Dodd. Thank you very much.

Dr. Clifford.

Dr. Clifford. Mr. Chairman and members of the committee, my name is Dick Clifford. I am at the University of North Carolina at Chapel Hill, in a program called the Bush Institute for Child and Family Policy.

I am delighted to be here today to discuss the issue of high-quality programs for preschool-aged children in America. And there are really just five points I want to make: 1) that there is a large and growing need for child care in America; 2) that parents want high-quality programs for their children; 3) that high-quality programs are good for children; 4) that high-quality programs are expensive, and subsidies are required for many families; and 5) that adequate standards and monitoring are essential for ensuring access to high-quality programs. I will spend more time on the latter two of those.

To begin, let me just say that I know that numerous speakers, both last year and again this year, are telling you about the continually high and growing need for child care in America. I am really only going to say that women are in the work force to stay; that our economy depends on them, especially as we face a restriction in the labor supply in the coming year; and that we will continue to see increases in the need for child care.

I think most people have been surprised that we have continued to see this increase in demand for child care in America.

On Saturday I was at church—my own church houses a preschool—and I came to a very full parking lot at 9:00 on Saturday morning, which is a little unusual, and I was surprised to find out that our preschool had people there, registering for care, beginning this fall. People came at five a.m. One of my colleagues at work had paid someone to come at five a.m. and stand in line for her, in order to get a reasonable kind of slot for her child for the fall. And we are finding many parents in that same situation.

Secondly, parents want high-quality programs. Parents need and want good programs for their young children. In a survey we conducted a couple of years ago of 1,000 families registering their children for kindergarten in North Carolina, they gave us three reasons for choosing the situation they chose for their young children. They chose the setting that was good for their child's development; they chose a place where they felt their child would be happy, and a place where the caregiver was experienced and qualified to care for young children.

These three reasons were chosen most frequently by parents, regardless of income, of race, or of marital status. They were saying that they want high-quality programs. High-quality programs are good for our children.

A large and growing literature exists on the importance of quality preschool programs, and I am glad that Larry Schweinhart, sitting behind me, is on a later panel, and I'm sure that he will talk about the effects of high-quality programs on young children.

Third, child care is expensive. High-quality care is particularly expensive. To take center-based care as an example, in a paper that will be published next month that I have written, I estimate that typical child care in America costs about $3,000 on the average for full-time care for one child. If we are going to increase quality, that price is going to go up. Our estimates are that the costs for high-quality programs are somewhere in the $5,000 per year range; about $100 per week is not an unusual expenditure for child care.

But unfortunately, these child care costs must be subsidized. Governments at both the Federal, State and local levels will have to subsidize care for many families. The private sector also has a significant role to play.

Parents of young children are also generally relatively young themselves. Many are at the very beginning of their careers and thus at the low point of family income; yet they are faced with this large expenditure to ensure the well-being of their young child. It is unrealistic to expect that these parents can pay the full cost of care.

We are in the middle of a survey of 600 child care center directors and some 3,000 child care providers in North Carolina. The data is coming in that indicates that many teachers are earning only $4 an hour for working full-time in child care; that many directors in these centers earn less than a beginning teacher earns for ten months of work while they are working twelve months, very long hours.

These daycare workers are themselves subsidizing the cost of child care through low wages and virtually nonexistent benefits. This cannot go on forever.

In recent years, the share of the costs for child care, at least for low-income families, that is paid by the Federal Government has decreased relative to other sources of help to families. And I was glad that the Governors and the Lieutenant Governor here basically shared that same piece of information by indicating that their expenditures at the State level have gone up much more rapidly than at the Federal level.

Failure to provide good programs has many costs, on the negative side. An increased number of children will be placed in special education, and more children will be retained in grade at school, and perhaps more importantly, my own experience says that children simply are not happy in low-quality programs.

What role does improved regulation play? Well, improved regulation is required. While high-quality care is expensive, we cannot assume that more money in and of itself will improve the quality of child care. We know that quality of care varies dramatically in the U.S. For example, a single caregiver in a daycare center can care for a maximum of three infants in some States, while in other States she can care for as many as eight infants without any assistance. And as you mentioned, Senator Dodd, there are a few States that have essentially no regulations in this area.

In a study that Susan Russell and I conducted in North Carolina, we found that child care centers with high standards and frequent monitoring were only one-fifth as likely to have child abuse and neglect complaints lodged against them as were centers meeting the minimum State requirements in North Carolina.

Richard Feeney found that high-quality daycare was directly related to compliance with standards in Pennsylvania. The National Child Care Study found that quality of programs was directly related to training of staff in child development.

We know that regulation can make a difference in the lives of these young children and their families. State governments need guidance and financial assistance in improving standards and monitoring.

In summary, let me say that based on my own work and that of many other researchers across the country, we know that child care must be and can be improved. It will take a major commitment from Government as well as from the families of young children to bring about this improvement.

In order to ensure the well-being of our youngest citizens and their families—in fact, for our Nation—we must make high-quality care available for all of our young children who need it.

The Act for Better Child Care Services provides for our Federal Government an opportunity to make a major difference in the lives of millions of young children and their families and in turn to protect the future of our Nation.

Thank you.

Senator DODD. Thank you very much, Dr. Clifford.

[The prepared statement Dr. Clifford follows:]

STATEMENT

RESPECTFULLY SUBMITTED

TO THE

Subcommittee on Children, Families, Drugs, and Alcoholism
Committee on Labor and Human Resources
United States Senate

Presented by

Richard M. Clifford, Associate Director
Bush Institute for Child and Family Policy
Frank Porter Graham Child Development Center
CB# 8040, Suite 300, NCNB Plaza
University of North Carolina at Chapel Hill
Chapel Hill, NC 27599-8040
(919) 962-7321

January 24, 1989

Mr. Chairman and members of the committee. My name is Dick Clifford. I am Associate Director of the Bush Institute for Child and Family Policy at the Frank Porter Graham Child Development Center at the University of North Carolina at Chapel Hill. I am delighted to be here today to discuss the issue of high quality programs for preschool-aged children in America.

I know that numerous speakers at your hearing have spoken of the continually growing need for child care in America. My home state is a particularly heavy user of out of home care for young children. We conducted a survey in the spring of 1986 of some 1000 parents registering their children for kindergarten in three school districts in North Carolina. We found that nearly two thirds of the mothers of these children were working during the year before the child entered kindergarten. A total of 75% of the children were in some kind of non-parental child care or education arrangement that year (Clifford, 1987).

Parents need and want programs for their young children. When we asked them why they chose the program their child was in, they gave three reasons most frequently:

> The setting was good for the child's development
> The child was happy there, and
> The caregiver was experienced.

These reasons were most frequently chosen by parents regardless of family income, race, or marital status. To me the parents are saying they want high quality programs.

One explanation for these reasons is that the results of research showing the positive benefits of good preschool programs has been widely reported. A large and growing literature exists on the importance of quality preschool programs [for example see Schweinhart, et al, 1986; Ramey, et al, 1987; Ruopp & Travers, 1982; Lazar, et al, 1982; McCartney, Scarr, and Phillips, 1984; Phillips, et al, 1987]. Time does not permit a review of that literature here. However, it is clear that high quality programs have significant benefits for disadvantaged children in terms of success in school and in later life. The data is not as compelling for children from more advantaged families, however, high quality environments for young children appear to be related to improved cognitive and social development for all children.

Child care is expensive. High quality care is especially expensive. In a paper to be published next month, I compare the costs for four models of preschool programs (Clifford and Russell, Theory Into Practice, 1989). Model I represented high quality as defined by the National Academy of Early Childhood Programs (1985). The estimated cost for this type of program is over $5200 per child per year. Models II and III were for moderate levels of quality -- one with high quality staff but poorer child staff ratios and the other with good ratios and group sizes but poor staff pay and benefits. These moderate quality programs cost roughly $4000 per year per child. The current status of center based child care costs approximately $3000 per year per child.

Parents of young children are themselves relatively young. Many are at the very beginning of their careers. They are also at the low point of family income. Yet they are faced with this quite large expenditure for the well being of their young child. Hofferth (1988) found that on average, parents were spending about 10% of their income on child care, about what they were spending on food. However poor families were forced to spend 20-25% on child care -- about what was spent on housing. Hofferth's findings were based on much lower costs than our estimates of costs for high quality programs. It is unrealistic to expect that these young parents can pay the true cost. Governments - both at the federal and state/local levels -- will have to subsidize care for many families. The private sector also must play a role. Private non-profit agencies such as churches are already providing a great deal of help. The business and industry sector is also beginning to provide substantial assistance. The federal government's share of the total costs has decreased relative to these other sources of help to families in recent years.

We know that the quality of care varies dramatically in the US. For example a single caregiver in a day care center can care for a maximum of 3 infants in some states while in others she can care for as many as 8 without any assistance. In a study that Susan Russell and I conducted in North Carolina, we found that child care centers with high standards and frequent monitoring were only 1/5 as likely to have child abuse and neglect complaints lodged against them as were centers meeting the minimum state requirements (1987). We know that regulation can make a difference in the lives of these young children and their families.

In summary let me say that, based on my own work and that of many other researchers across the country, we know that child care must be and can be improved. It will take a major commitment from government as well as from the families of young children to bring about this improvement. In order to insure the well being of our youngest citizens and their families -- in fact for our nation -- we must raise the standard of care for young children all across our country.

Senator **Dodd**. Mrs. Dixon.

Mrs. **Dixon**. Good afternoon, Mr. Chairman and members of the committee.

My name is Deanne Dixon. I am a registered family daycare provider from Montgomery County, Maryland. I have been a member of the Family Daycare Association there for nearly four years. I have provided primary daycare for over 55 children, with several more children who have come on a drop-in basis. I have had the opportunity to talk with many providers and many parents about the child care issues.

I appreciate this opportunity to speak up. And I note that I am the only one who is actually a hands-on, experienced person in this field, and I feel a sense of responsibility to say the right things, to say all of the things that you need to hear, because I do not see where else this message is coming through, or is being thought, very effectively.

I appreciate Dr. Clifford's remarks, showing that they have been researching and asking family daycare providers questions in North Carolina. I think that more of that needs to happen. People need to go directly to the source, to the family daycare providers, to the mothers, the parents, to find out what the real needs are, and to take time to look at it, perhaps, freshly, to find out what can we really do to help the children.

I would like to stop and say here that my heart is going out to these wonderful mothers sitting next to me, and that I think we all feel this way, that this tragedy should never have happened. And I feel that somehow this reflects on me as a child care provider, that I am on the other side of the fence in this situation; they are telling what child care providers do, and I am one of those.

I would like to point out that not all of the providers were unregistered, unlicensed, that some were licensed in the situation, and so I have a basic question, and that is how can regulations ensure that you will get quality child care. And I think the answer is that it cannot; it can never ensure quality child care. Quality child care is something that happens after the parent says goodbye, and the provider is there alone with the child or with the other children. That provider is on her own, if it is family daycare, and there is a certain amount of trust that goes on that no one else is there to regulate.

So I think if we put all of our resources and efforts toward regulation, we are going to be missing the point of what can help. And I do think there are some positive things we can do to help.

I would like to admit that I stayed up all night long to write this testimony for you, because my name came through a series of referrals, and my "call to action" came yesterday afternoon. So I would like to refer to you many of my comments, but you will see toward the end of this paper that there is a little gibberish in there, where some of my late-night comments did not get translated the way I would like them to. But I want you to know that I have many thoughts on this, and some strong thoughts that perhaps you have not addresed yet.

First, I will get to the point that I started out as an unregistered provider, and I think you will find almost all daycare providers do start that way. They get into daycare because they are caring for a child, a neighbor, a friend, and then later someone says, "You need to be regulated" and so they go that route.

I feel that I was giving quality daycare. I know that the children that I cared for would run and grab my arms, with a big hug. The parents and our family loved each other, and as these children have graduated out of our home, they still come back, bring me gifts, and love to see my children.

One of the clues that a parent gave me—in fact, there were three parents who said this—how they chose me as a provider when they were looking around and checking for possibilities was that they looked at my children, and they asked themselves how do her children behave, and how are her children going to treat mine. And they felt that because of my good track record with my own family, that they could trust me. And it became a trust situation, and I know that sometimes you have trust situations that will disappoint you. But eventually, it comes to that.

I do think that although centers can be more supervised and controlled, that parents really prefer family daycare if they can get it, because they want to have a situation that is as close to their own family situation as they can. They want to take their little child to another mother who is going to give them loving care, who is going to sit with them and read to them and answer their needs, and not put them in line, not make them fit a regulated schedule because there are many children who have to be fed exactly the same.

I think that family daycare needs your support for two reasons. One is that it is the primary choice that most parents would make. If you gave them a list of five choices, centers comes out last in the surveys that I have read; they would prefer family daycare or relatives or their spouse.

So I think that it is high on the parents 'wishes, and you may want to check further on that to see what do parents really want.

Also, I want to point out that most family daycare providers—and I did an informal survey on this at a State family daycare association meeting by show of hands—and it was 100 percent the family daycare providers were there because they were mothers first and wanted to be at home with their own children.

I think you need to keep that in mind when you are thinking about how are we going to bring people into this service of being family daycare providers. Look to who are the likely people who will want to do this job. I don't think you are going to find people in this room, who are high-powered, who already have their beautiful suits, who have their nice incomes—I don't think you are going to attract many of these women into family daycare. I don't think you are going to track them into centers, where the average wage is $3.55 per hour in Montgomery County. I think you are going to have to ask yourselves who are we targeting; what population are we going to attract. I have not heard anyone address that question today, and in reality that is one of your most important questions.

I am very appreciative and impressed with the depth of concern—and I mean it sincerely—the depth of interest in the welfare of the children. I hope that you will take time to ask the basic question of what is the very best for the child. And what is the very best for the child is to be with his or her mother or father as much as possible. So I think if you will look at it from another point of view, how can we help those families provide as much of that care as they can, I think you will find that you are actually satisfying the deeper wishes of many of these working mothers.

If you surveyed the working mothers, as I have heard it being said, 88 percent would prefer to be at home with their children. That should not be surprising. But it is true that they would prefer, if they had child care arrangements, they would prefer to have arrangements that gave them more time to be at home—maybe to be home by the time the child gets out of school. They would like the flexible hours; they would like the part-time work.

I think businesses can probably do as much as Senators in bringing about true child care options for families and to help support the child care options.

In my longer testimony here, I have given you many examples of running up against regulations in the County, and how I find that regulations are really a deterrent to some mothers who are giving child care. They don't want to have people coming into their homes, especially who have never had children themselves, coming in and examining them and making them feel inadequate. Now, I'm not saying that everyone feels that way, but I am saying that it is a negative rather than a positive experience for a provider.

I am saying that when my license came ready to be renewed last summer, the social services was so backlogged that they were not able to renew my license for about eight months. And when I called, and I said, "Here I am; I am trying to do daycare, and my license has expired," they said, "I have 300 people ahead of you, and my partner is out on sick leave. I'll get to you when I can. I remember being in your home, and I feel you are going to be fine." So they said don't worry about it.

But you've already got people who are already overwhelmed with the regulations, doing mounds of paperwork. And when you talk about having the Federal Government put another system on top of that, with more mounds of paperwork, I really think we are going to miss some of the points.

I would support regulations being developed on a State level so that they can be worked out and hashed out there. It is at the State level where a daycare provider has the best opportunity to influence her decisionmakers. It is hard for a daycare provider to get out of the house to see anybody to give her opinion. You will need to be able to help providers to say their opinion.

I appreciate this opportunity to speak.

Thank you.

Senator DODD. Thank you very much, Mrs. Dixon. We appreciate your being with us today.

I don't think anyone was suggesting, Mrs. Dixon, that there is any absolute guarantee or any absolute insurance policy. I don't think the three witnesses or the parents of these children were suggesting that somehow, by getting some standards they would absolutely have been guaranteed that some problem might not have arisen. But the fact that there is no perfect system does not mean that we shouldn't at least try to establish some standard whereby risk can be minimized.

I would ask our three parents who are here, there is a suggestion that if there are standards your choices would be limited, or if an

ABC approach were adopted your choices would be limited. But as you understand, we don't say to someone, "You cannot provide child care"—if you want to set up an operation that would be unregulated you can. That is a parental choice. The question is whether or not the Federal Government, or any government for that matter, ought to finance a scheme which is without regulation, without some minimum standards. That's really the issue here. There is nothing that says parents can't go that route if they want to. The issue is whether or not that provider is going to get the kind of assistance through the parents—either from the State Government or the Federal Government—in this case.

And I'd like to ask you whether or not you feel as though the choices would be limited in any way, as you have understood it from looking at this legislation.

Mrs. Robertson.

Mrs. Robertson. I feel that because most parents used licensed family home daycare providers is not necessarily because it is their choice. It is because their children are under two and not potty-trained. And there is only a handful of centers across the country who will accept that many children who are under two and potty-trained.

Family home daycare providers or unlicensed daycare providers are almost our only choice across the country. The San Diego Family Home Daycare Association is totally for ABC bill. They have their own training, because the county does not, and because the State does not. They are very much in favor of our children and of educating our daycare providers.

In my son's case, in just educating her on what "shaken infant syndrome" could do to a child would have saved my child. She didn't know that.

Like Deanne said, the people who go into this profession—and they are professionals—are getting very low pay, so who goes into this? A lot of uneducated women. We need to educate those women. The discipline that they received as children, they will tend to give to their children who are in their care. We need to educate these people It is not out there, and it doesn't come just because you get a license, or because you are unlicensed.

There are also a lot of abusive parents out there who need to have daycare to keep them from abusing their children. They need respite care. That is their way of being able to get away from their kids. Maybe they have an emotionally-disturbed child, maybe they have a lot of problems with a child or within their own family home. They need daycare in order to get away for a little while from their own kids or from their own stress at home.

We need family home daycare. Centers don't give us enough options. And I don't know—what does the Senate daycare over here have? Do the children have to be over two? Do they have to be potty-trained? I don't know.

Senator Dodd. I will have to check with my own staff. [Conferring with staff.] We will find out for you.

Mrs. Robertson. Very few places do accept children under the age of two who are not potty-trained, and that is the reason that most of the care for under-five is being given by family home daycare. It is not necessarily the preferred choice—there isn't a choice.

Senator DODD. Well, let me ask you this—and obviously this is not a scientific survey. I think Mrs. Dixon is probably correct that, given a choice in a poll between a center or a family-based facility, people would be inclined to gravitate toward the family-based facility. Just the difference between the words "family" and "center" has an impact. I mean, if you are putting a child in a "center," it sounds like some sterile, amorphous environment; unlike the notion conjured up by the term "family."

But the issue really is a little more complicated than that; it is a question of whether or not it is quality child care. Is that not really the question in your minds—as people who have been through this a bit, looking back—that the issue is really the question of whether or not you feel, or a parent would feel, that where you are placing your child is a safe, secure, quality environment—whether it is neighborhood, church-based, center-based, employer-based—you can pick the panoply here—and our bill allows for all of that, by the way, every single one of those options. There is no option denied as long as there are some minimum standards here. Isn't that really the issue? Isn't that more the issue than whether or not it is a neighborhood or a center or a church or a business?

Mrs. HARTSHORN. Exactly. I thought I had the ultimate as far as quality in the daycare home that I had selected, but my choices were limited. We have one daycare center in our town of 6,000 people, and like I said, one reason we did not hurry to change him after we had seen the bruises was because a friend of mine had adopted a baby in May, and in her six weeks that she was off on maternity leave, she had called 15 babysitters before she found somebody to care for her child.

I have spoken with my employer about starting up a daycare as an offshoot from our hospital, and he doesn't want anything to do with it. And I will never be involved with daycare again. I know I will work nights, so it is not going to be an issue for me anymore. But I think that if the employers would get involved, that would really be a big help to the community.

Senator DODD. Oh, I agree with you on that. A lot more are, too.

Interestingly, just for your own information, there are roughly 750 on-site child care facilities in the United States among 6 million employers. Of that 750 or so, 500 are either nursing homes or hospitals; only 250 are actually on-site plants.

Most businesses cannot have on-site child care. It is just ridiculous to even talk about it—given the fact that they are small employers of one kind or another, they can not have an on-site facility. But there are a lot of things they can do, and a lot are doing it, so that is encouraging.

We are going to have some testimony in a few minutes from Dr. Bauer, and I want to take advantage of your presence here, Dr. Clifford, because he raises some points that I think are legitimate questions that need to be addressed.

There has been a suggestion that if you license these child care facilities and require more standards, you will get an underground market or you will discourage people from going into this arena—going into the child care business, if you will.

In your study, do improvements in standards decrease the supply, increase supply—what has your study been able to determine?

Dr. CLIFFORD. Well, the particular study that I was talking about there did not address that issue. But I have looked in North Carolina—I do not have the data with me—but I have looked at the issue of supply under changing regulations. In 1985, our General Assembly improved the child care standards in North Carolina. And I looked at the numbers of daycare centers, licensed slots, over that time. It did appear there was a little bit of levelling off of the increase in the number of daycare centers in North Carolina, but overall it had a negligible effect on that. If you saw the curve, there were about 2,200 daycare centers in 1983; now, there are almost 3,000 in North Carolina, a very heavy daycare use State. So we saw this little bit of a levelling off in 1985 when the General Assembly enacted the new standards, but as soon as the industry adapted to the standards, the growth went right back up again.

So there might be some very short, temporary effect, but it is just that.

Senator DODD. I am going to place in the record this graph, which indicates what you have suggested, that in fact, there has certainly been no decline, and if anything else, an increase. And we have asked States across the country, where standards have been imposed by the States, and in fact—contrary to every statement that has been made about the issue of whether or not you get a decrease or an underground—we show either no variation whatsoever, or in some cases, actually an increase.

Dr. CLIFFORD. Yes. Our increase continued to occur even during that time.

Senator DODD. I appreciate that.

There is some issue as well—I raised it a moment ago—on how income and minority families use unlicensed care for economic reasons, not preference. I have suggested it is due to economic reasons, because they lack the flexibility—the economic resources—to make broader choices.

Would you share with us your conclusions as to whether or not that is in fact the case?

Dr. CLIFFORD. Well, I think that both of those are at work in our society. We have come to know much more about the importance of early experiences for young children in America, and we know that this information is general knowledge now; that many families want their children to be in a preschool setting before they go into school, for both social development and cognitive development. So choice is an important part of it. But I have to say that the major factor influencing child care in America does seem to be for economic necessity.

Senator DODD. I think you are missing my point. They are talking about poor families using unlicensed care. The data shows overwhelmingly that poor families are using unlicensed care. There is a suggestion here that they are doing that out of choice. What I want to know from you is whether or not that is a conclusion in your study.

Dr. CLIFFORD. No. I am sorry I missed your point. The fact is that these families with very low incomes have no choice. They are desperate to find any kind of child care they can. In the study of 1,000 families that I mentioned, we found in the poorest county in our sample that one-quarter of the families were using three different kinds of child care arrangements during a given week to provide for the needs of their families. They simply could not afford to pay for care in a high-quality center. They were having to piece together whatever they could find and could afford for their children.

Senator DODD. My last question concerns the rate of child abuse. In your study, is there a higher rate of abuse in unlicensed centers or in licensed centers?

Dr. CLIFFORD. The study itself didn't actually report the data on actual child abuse. We were looking at complaints from parents. That is what the study was about. We did find that in programs that were under a lower level of licensing in centers, that those centers with the lowest level of licensing were five times as likely to have complaints of child abuse or neglect lodged against them by parents or others than centers that met the higher level of standards.

I have actually gone back since the study and tried to look at the actual, confirmed cases of child abuse and neglect, and those also are much more likely to occur in the lower-level licensed programs than in the others.

North Carolina has virtually no unlicensed centers in the State. We do a good job of bringing people who are supposed to be in the center system into the licensing program. So we really don't have much information about centers with unlicensed care. And our information on family daycare, like most information in America, is very poor, and there are not any conclusions I can draw about family care.

Senator DODD. Well, again, I thank you.

And I would indicate again that while there are a lot of people collecting data, the information we have seen across the country sort of confirms what you are finding, and what I would suggest is that your State is not unique in that regard.

I have gone on far too long. I will call on Senator Coats.

Senator COATS. Thank you, Mr. Chairman.

Mr. Clifford, I just want to follow up a little bit on the discussion you just had with the Chairman about choice. Mrs. Dixon stated that in her experience and from studies she has seen, most parents prefer family care. You have said most low-income families don't have that choice. I guess that question that is still unresolved is what their preference would be if they did have a choice. And maybe we don't have the answer to that, or maybe you don't have the answer to that. But have you done anything to get at the question of what would the choice be if the choice were there?

Dr. CLIFFORD. Yes. In the study of 1,000 families, these families had children, this was the year before they entered school, their fourth year of life, and at that level, parents did not prefer family-based care; the clear preference was for some kind of center-based arrangement, or a preschool or center-based arrangement. Only about one-quarter of those families indicated that they would prefer to stay home with their children. I thought that was interesting. It was almost exactly the proportion of families who were staying home that preferred to stay home with their children.

Senator COATS. You are still talking about four-year-olds.

Dr. CLIFFORD. Yes, these are four-year-olds. These mothers wanted to be in the work force. They felt that their four-year-olds were well-off in center-based settings. I think that is different for younger children. I do think that the families with the very youngest children want some other, alternate arrangement, perhaps, although we do see that the fastest-growing use of child care for the very youngest children is center-based care, while family daycare arrangements have stayed relatively constant to the proportion of children in family day care. The proportion in centers of very young children has gone up dramatically in recent years.

Senator COATS. But you have not conducted any studies with younger children; you have the data for the four-year-olds, but no study that you are aware of has been conducted for the infant, or the zero to three-year-old category?

Dr. CLIFFORD. That is correct.

Senator COATS. Mrs. Dixon, you are a licensed family care provider.

Mrs. DIXON. Yes.

Senator COATS. Are you licensed by the State of Maryland, or Montgomery County, or both? Who does the licensing?

Mrs. DIXON. The State of Maryland.

Senator COATS. And can you tell us what are those standards—what did you have to do? What is the process of going from unlicensed provider to a licensed provider?

Mrs. DIXON. First, I would like to say that I thought it was a worthwhile process to do. I thought it was very educational, and I think that the emphasis is on the education, that it is important for families, parents, to know these policies or suggestions.

I had to look at the safety factors in my home—knives that might be kept in a drawer had to be put up in the cupboard; all medicines had to be out-of-reach; chemicals under the sink had to be changed; we had to have a fire marshal come and check out the house to see if there were any fire risks; we had to have the family have physicals and TB tests and criminal record checks.

Mrs. ROBERTSON. By fingerprint?

Mrs. DIXON. Not by fingerprint.

Senator COATS. I'm sorry, I didn't hear that.

Mrs. ROBERTSON. I asked by fingerprint. In California, we fingerprint and do an FBI report, a California report and a Child Abuse Registry report.

Senator COATS. Okay. You just submit a name—yours is not fingerprinted. You just submit your name.

Mrs. DIXON. Right. In fact, I am told that the actual process of getting the information back for the criminal record can take eight to nine months, and the provider can work in centers in the meantime, before the report on their criminal record comes back.

Senator COATS. The provider can work in centers, but can you provide family daycare at home prior to the return of that information?

Mrs. DIXON. I don't know. When I went through the regulations, it took about four months. I am told that it is taking longer now. I don't know if that is the reason why, but it takes a long time to get registered now.

Senator COATS. But you do say that it was an educational process and a worthwhile process to go through.

Mrs. DIXON. Yes. I would highly recommend some effort along the line of education for all adults on caring for young children—something of a very creative and motivational approach. I think videos would be excellent for family daycare providers.

Senator COATS. In conjunction with the licensing process?

Mrs. DIXON. Probably it could be used with that. But I would like to see it available so that unregistered providers would also be attracted to the media. For instance, you see in the media reports about stories like this that our friends have told us, but you don't see a lot of suggestions about what can you do to improve daycare. The educational part of it is not as interesting.

Senator COATS. Mrs. Robertson, yes?

Mrs. ROBERTSON. Can I say one thing about California? The three of us moms who got together because our children had been abused the same spring in 1983 just got a pilot project approved in California for five counties—San Diego, Santa Clara, Contra Costa County, San Francisco and Alameda—which gives unlicensed daycare providers, like hotels, nannies, or any unlicensed daycare provider the right to be fingerprinted, have an FBI report done if they have been in the State for less than two years, and have the Child Abuse Registry report made. That gives them a card with an "800" number to Department of Justice. So if they are taking care, say, in a hotel where, in the State of California they cannot be licensed because they are working in a hotel, the parent who comes in and needs a babysitter can call Department of Justice and check this person out and know that he is not a pedophile or a recent felony child abuser, or somebody from another State who has come in expressly to abuse children. We have a lot of pedophiles out there.

Senator COATS. Thank you.

Getting back to licensing, the things I think the committee and all of those involved in the process are trying to wrestle with are: Will licensing decrease the supply of providers by requiring things that providers don't want to go through? And will it drive up the costs of child care, because of things that you have to comply with, and then measuring that against the benefits, as you said, that come from an educational process of informing providers of what they need to do?

Are you aware of any situations whereby, say, family providers have chosen not to provide daycare because they don't want to meet the licensing requirements, or they feel that they are too onerous, or it is too lengthy or too costly to make changes in their homes or their procedures?

Mrs. DIXON. Yes, I was told that—well, Maryland has been very active in proposing new regulations, and they went a little too far with that, but they had good feedback from family daycare providers that helped them recognize what family daycare providers could do. And I think that it is important for all people who are doing licensing to know the people that they are working with and have appropriate licensing. I do think that regulations are important, but not to require something that is beyond the means of providers.

I think that good, quality providers can come from low-income areas; their homes may not qualify in all points, but they can certainly be homes that are just as good or better than their neighbors. And if a parent wants to have his child with a nextdoor neighbor, I think there needs to be some flexibility in the licensing that can allow this; if you are checking them out and finding that they have a nurturing personality and a good, clean record, if they do have other problems with their home, it is not as important.

I am worried about the over-regulation. That does scare providers. I know a lady who went to the training session and turned around and said, "Forget it." She looked at it; she heard the three-hour presentation of all of the dos and don'ts, and she said, "This is not for me."

Senator COATS. Just one last question. In terms of cost, what kinds of things did you have to do in order to meet the licensing requirements that required out-of-pocket expense for you, if any?

Mrs. DIXON. The very first thing I had to do was put up an $800 fence, which I am sure is not an easy thing for most providers to do.

Senator COATS. Do you mean Maryland law requires a fence?

Mrs. DIXON. That is my understanding, that it has to be a solid fence where a child cannot get through.

Senator COATS. So for an outdoor play area or whatever.

Mrs. DIXON. Right.

Senator COATS. Do they prescribe a minimum size, or area that you are fencing in?

Mrs. DIXON. There is a size, which is confusing to me. I knew my yard was large, and I did not have to worry about that, but I think that some people with smaller yards would have a problem with that.

I also understand that the national fire marshal regulations require that you have a flat walkout from your home to the yard, which means no steps at all, and you would also have no sliding glass doors. And three-fourths of the homes in Montgomery County would not meet that regulation. You would be required to have sprinkling systems on any floor other than the main floor that your children are cared for on.

Senator COATS. Do you mean the Maryland laws, now, for you to qualify as a family daycare provider, you cannot have steps leading into your home?

Mrs. DIXON. No. I understand that if it were a national regulation, Federal regulation, that that would be required. But it is not in the Maryland regulations.

Senator COATS. Well, I think there is debate on what those standards ought to be and should be. I guess my question goes to what are the current Maryland provisions regarding qualification for daycare providers. I think that is something the committee is going to have to wrestle with, and the commission, or however it is set up, if in fact it goes this way, in determining what those standards are.

Mrs. DIXON. I think it is still in the process of debate on what the new regulations will be.

Senator COATS. But you are not saying that current Maryland law requires sprinklers and handicapped access and so on.

Mrs. DIXON. No. Apparently, it is in the regulation, but it is not enforced, is what I understand.

Senator COATS. It is a regulation, but it is not enforced?

Mrs. DIXON. I believe that it is; that is what I was told yesterday—although I never heard it in my orientation.

Senator COATS. Well, that is something we can check on, I guess. All right, thank you. I have gone over my time.

Senator DODD. I would just point out there are no regulations at this point. That is the reason this commission is set up, to examine exactly what States have done, what the Army is doing, and other places to look. So there are none in place as such. We have talked about some broad categories to examine, but you should understand that, at this point there is nothing in this legislation which sets out an enumeration of standards, except in the broad categories.

Mrs. DIXON. That was an "if" statement, Senator.

Senator DODD. Yes. I know there are people who were conjuring up some things—and I think it is legitimate to be worried, because sometimes they can—as you point out—go overboard.

Senator Kassebaum.

Senator KASSEBAUM. Just briefly, I would like to say how much I appreciate the thoughtful testimony of this panel and particularly from the mothers. I know it was not easy, but it certainly helps us, I think, to understand some of the problems that exist.

I just have on question I would like to ask. Mrs. Dixon, you mentioned that a number of mothers would like to stay home, and I think that is true, that that is certainly the preference, but many do have to work in our society today.

There are those who believe that it would enable more to stay home if there were financial provisions and have called for $1,000 for every child under the age of four below a certain income level, $10,000, and there would be different provisions where it would rise.

Do you see this as being an approach that would enable mothers to stay home?

Mrs. DIXON. I think it would be a wonderful approach to look at that solution—or the dependency deduction on the form, that apparently is just under $2,000 now and should be $6,000 if it had kept up with inflation.

I think there are ways that you can help the family daycare and the mother—all mothers across-the-board. You are helping family daycare providers when you are putting money back into the pocket of women who are at home, caring for young children.

I think you would find less pressure on family daycare providers to take too many children if they were having——

Senator KASSEBAUM. Why would that be? Can you explain?

Mrs. DIXON. Well, if they had some kind of child credit that was from the Government that helped recognize the number of children they are caring for, including their own; if they had more financial relief, I do not think you would have the pressure to take as many children as possible and stretch your talents in the daycare facility. Do you know what I mean?

Senator KASSEBAUM. Yes. I guess I have not been sure, given the costs of child care, as I think you pointed out, Dr. Clifford, versus what one earns if they have to work. One thousand dollars is not really addressing either of those concerns, and I guess I was curious how you—or anybody else, maybe, who would wish to answer that—felt that helped.

Dr. Clifford.

Dr. **Clifford**. I think you are exactly right that a $1,000 assistance at that level is not going to have any dramatic effect on the numbers of women who stay at home. Other countries, particularly European countries have taken a much more direct approach to dealing with this. I noticed just this last week in the paper that Sweden has expanded its parental leave options to two years for a family, so that families now have two years of paid leave to care for their young children—they need more children, that is the issue. If you want to have mothers and fathers staying at home with their children, then you can do it more directly through a parental leave program than you can through a change in the tax system.

Mrs. **Dixon**. If I may say so, as a provider, it would help me to see more assistance for the parents of the infants. I think that parents who have infants need all the help they can get so they can be home with their infants. I think that is the best option for them. By the time a child is about one and a half or two, I think they are ready for family daycare, and they work in well in that setting. By the time they are about three and a half or four, they are ready to go on to a center or a preschool and are happy for that change.

I think there is not a shortage, at least in Montgomery County, in the two-year-old, but there is a critical shortage in the infant care, and if you can help the mothers be at home, that would really help the child care pressure.

Senator **Kassebaum**. Thank you.

Senator **Dodd**. Thank you.

I do not know what your income situations are like, and I really do not have the right to ask the three parents who are here—but I would like to hear you respond as well to Senator Kassebaum's question, because it is one that will come up. I think it goes $1,000 for family incomes of $10,000 or less, sliding up to $20,000; so for a family that had two or three children, it would be $2,000 or $3,000, I guess, on a yearly basis.

In your view, based on people you know, neighbors and so forth, wouldn't that in your view make a difference between that person staying home or going to work?

Mrs. **Robertson**. At the time that my son was injured, I was an outside sales rep; I was making between $1,800 and $2,400 a month—a month. Eighteen days after my son was injured, I totally quit work. I have not worked since then. I have not gotten a dime, except Saturday I made a speech to the Health Science Response for Child Maltreatment. So I can say that I have made $100 in six years.

Senator **Dodd**. I'm sorry, I meant before.

Mrs. **Robertson**. Okay, before. At $2,000 a month for, say, a maximum of $3,000 a year—is that what we are saying?

Senator **Dodd**. Yes. But under the proposal, as I understand it, it is $1,000 per child under the age of four per year, for a family income of $10,000 or less. Ultimately, that would rise to a family income of $20,000 or less.

The question occurs—and it is something I would like to see us do, if we could—that is, when you get on that cusp, what makes the difference between encouraging a parent or one of the parents to stay home or not. At what point do you reach that magical number that will make the difference? I realize each case is different, but one of my concerns is that frankly, I would be surprised if it made a difference at $10,000.

Mrs. **Hartshorn**. In our case, it wouldn't have made any difference. My husband has been married before, and we were paying child support, and basically, we were starting out as a new couple, trying to get a house and everything. But I am a registered nurse, and he is a machinist at Burlington Northern, and together our salaries are $50,000 a year plus. We were paying for adoption costs, and you know, being married for a few years, you still are just scraping the bottom of the barrel to get by. And can you imagine a couple that is making much less, say, $20,000 a year?

Senator **Dodd**. Well, you understand that in both of these proposals we are talking about, the only thing really that would benefit you are standards, because you would not qualify for assistance under either of these bills.

Mrs. **Hartshorn**. Yes. That would not have kept me home, though. I could not have stayed home.

Senator **Dodd**. What about you, Mrs. Snead?

Mrs. **Snead**. We live in Fairfax County, and I would say there are very few people who would be in the $10,000 to $20,000 income bracket, and I do not think that would really affect us. For Ron and I, that would not mean me staying home or anything like that.

I still think regulation is needed.

Mrs. **Robertson**. I had a good time at work. I had a fun time at work. And I had a blast being able to go to work for some of the time and then come home and have fun with my son. It was fun for me. I thought that that was the way that everybody did it, and that I could trust daycare, and that somebody was out there, making sure there were rules and regulations, and that people would follow those rules and regulations. And it was a big shock to me, after six days of daycare—because that is all the time my son was in daycare, was six days—that he is now partially blind and partially paralyzed, and when I picked him up, he was comatose and in seizure, and within two hours, he was dead. So it was a big shock to me that family home daycare did not educate family home daycare—it made sure that there was not a convicted felon out there, but there was no education. And California does more than most States. So you can see how the rest of the States are substandard.

Senator **Dodd**. I appreciate that.

Lastly, Mrs. Dixon, I want you to know I understand your concerns about bureaucracy. I think all of us share this—we have all seen good intentions end up in a bureaucratic nightmare. And I would never introduce a piece of legislation, let alone support one, that I thought in any way was going to create that kind of a mess.

The idea is to make this simple and straightforward, and to avoid getting into the legitimate differences. Orrin Hatch has raised this with me many times, and I think it is correct. And Pete Wilson did, indirectly; with a highly diverse ethnic State like California, there are cultural differences, and I think you have got to stay away from that.

What we are talking about in this particular legislation is something that transcends ethnicity or cultural heritage. ABC really tries to apply those minimum health and safety standards, and then leave up to the States and localities—or individual groups, churches, other organizations—how they are going to deal with the diversity that this country presents.

And I would hope that no one would leave with the impression somehow that we are going to try and encroach on that. It is a question of whether or not, as you point out, you have got safe wiring and are keeping harmful substances out of children's reach; those kinds of health and safety standards—as well as ratios and the other things we have talked about—that I think most people agree are pretty important.

But anyway, I wanted to make that point, because I know that is a concern, and I do not know of anyone around here who would want to be a part of that, quite frankly.

Mrs. DIXON. I think that one of the underlying factors that we will need to address to really attract people into daycare and to help solve this problem is the essential self-esteem of the woman who is going to become a provider, if the idea that nurturing is not esteemed very highly in society.

Senator DODD. I agree with you on that. That is important.

You have all been extremely generous. Again, I know I am expressing the views of my colleagues who are not here— Mrs. Kassebaum has said it already—but we are deeply grateful to both you, Dr. Clifford and Mrs. Dixon; but you will appreciate it if we express a special thanks to the three of you who have come some distance, in some cases, but more importantly that you have been willing to share a very tragic occurrence in your lives. And all of us just wish nothing but the best for the three of you and a healthy and happy future life with your families. And we are going to do our very best to see to it that we end up with a sound, intelligent, thoughtful child care program that ought to at least be able to say that there is at least some assurance—to the extent we can assure—that when you place your child, or any mother places her child, in the hands of someone else, that there is at least some assurance that the basic minimum standards will be there to protect that child who cannot speak for himself. People talk about States' rights—and I support them—but children who cannot speak yet have rights, too. And somebody has got to speak for them.

So I thank you.

Now, our last panel. And again, I want to thank my colleague from Kansas, one of my few colleagues who stays with me through these hearings. I appreciate it very, very much.

Our last panel includes Dr. Schweinhart, who is the Director of Voices for Children, High/Scope Foundation, Ypsilanti, Michigan; Ms. Marilyn King, Manager of Equal Opportunity Programs, Hallmark Cards, Incorporated, Kansas City, Missouri; Ms. M.A. Lucas, Chief, Child Development Services, United States Army, Washington, D.C.; Mr. Arthur Nielsen, Senior Vice President, CIGNA Corporation, Philadelphia, Pennsylvania; and Mr. Gary Bauer, President, Family Research Council of America.

Again, I want to thank all of you for being here. You are the patient panel; we always call the last panel the patient panel. But you have had the benefit of listening to all of this, I hope helpful and beneficial, testimony; and for those of you who are professionals, we hope this has been of some help to hear people talk about some of these things in this area.

I promise every one of you that your testimony as prepared will be included in full as part of this record, and I would just ask if you could try and boil it down a bit and hit the key points, so I don't hold up anybody any longer, and I already have all day. But I guarantee you that will be the case.

We will just begin in the order I have introduced you.

Dr. Schweinhart, we appreciate your being here with us.

STATEMENT OF DR. LAWRENCE J. SCHWEINHART, DIRECTOR, VOICES FOR CHILDREN, HIGH/SCOPE FOUNDATION, YPSILANTI, MI; MARILYN KING, MANAGER, EQUAL OPPORTUNITY PROGRAMS, HALLMARK CARDS, INC., KANSAS CITY, MO; MARGARET A. LUCAS, CHIEF, CHILD DEVELOPMENT SERVICES, U.S. ARMY, WASHINGTON, DC; ARTHUR NIELSEN, SENIOR VICE PRESIDENT, CIGNA CORP., PHILADELPHIA, PA, AND GARY L. BAUER, PRESIDENT, FAMILY RESEARCH COUNCIL OF AMERICA, WASHINGTON, DC

Dr. SCHWEINHART. Thank you very much.

My name is Lawrence Schweinhart, and I represent the High/Scope Educational Research Foundation.

The point that I want to make and buttress it in several ways is quite simple, and that is that the quality of care is crucial to young children's development. As I have been listening to the hearing, we have talked about quality, sort of mentioned it as a part of child care. We have got to do quality child care, but we have really not laid it out.

Then we have talked about regulations, and in fact we have talked about regulations all morning and into the afternoon. One of the difficulties with that, and it has happened in past hearings as well, is that we focus so much attention on regulations that we can lose sight of the ultimate goal. And the ultimate goal—again, listening to the various folks in the family daycare and so forth, talking about this—it is very clear, the ultimate goal is the quality of the program. The regulations are tools to get there. They are not perfect tools; they have problems with them. There are questions about regulations generally.

But the question is how better can we come up with the definition of child care that people can understand, again, focusing on family daycare. The valuable aspect of even a focus on regulations is the education that takes place; the communication to people of a definition of good child care.

We need to have a situation in this country where we encourage good programs and we discourage bad programs. That is quite simple, but it seems terribly difficult to do.

The work that I have been involved in over the last 15 years or so has been research on the effects of good early childhood programs for poor children, precisely the primary focus of the Act for Better Child Care Services, also other legislation that this subcommittee will consider—the Head Start reauthorization, Smart Start, tax credits—all of these pieces of legislation are to some extent trying to address the issue of the quality of early childhood programs, of child care and education programs.

We conducted long-term research on the effects of a good program, the Perry Preschool Study. We found that that program and other programs like it helped children to be better-prepared intellectually and socially so that they were better able to succeed in school, and then subsequently, they were less likely to be placed in special education classes or to be retained in grade. And we were fortunate enough to conduct our study long enough to find even longer-term benefits, that is, that children who were in a good early childhood program ultimately were more likely to be literate, more likely to be employed, more likely to graduate from high school, go on to college, less likely to be engaged in crime, less likely to be arrested.

A lot of the social problems that we are facing today were positively impacted by this early childhood experience. But it was not simply the existence of a program that led to those effects. It was the existence of a good program. It is impossible to say that programs are better than families or that families are better than programs as some kind of a universal statement. The question is the quality of the experience wherever it takes place.

Obviously, children should remain within their families, but families need to receive the kind of parent education that will enable them to know how to provide good early childhood experiences and at the same time to have the option for supplemental programs that will permit them to have good early childhood experiences there as well.

Our research focused as well on a cost benefit analysis that was already referred to today, as a matter of fact, and we found that even though the program was quite expensive, it was in society's best interest to spend that money on that program.

The program in 1988 dollars cost as much as $6,500 per child, but the return on that investment was $39,000 per child. Now, sometimes those kinds of numbers are thrown around fairly loosely. I am not throwing those numbers around loosely. The numbers on the benefit side are documented just as precisely as the numbers on the expenditure side. We know from records of public school systems and police records and welfare records that in fact, we can look to those kinds of long-term returns on that investment.

But it was in a sense not a cost benefit procedure, but a quality benefit procedure. The benefits did not come directly from the cost; they came from the quality of the program. You take the quality away, you take the benefits away, and the expenditures on the program, even if they were less—if they were, say, $2,000, $3,000 per year rather than what they did cost—that might represent a net loss for society.

We do not really have a choice to spend nothing. We act as though we do, but in fact we are now spending for all those kids who did not go through those kinds of programs $39,000 per child—right now, we are spending it. That is one of the things that is creating the difficulties in Government budgets, not only at the Federal level, but even more so at the State and local level.

We have a choice to not spend $39,000, but instead to spend $3,000, $4,000, or $5,000 a year on those children and not only save money, but also help them to have a substantially better quality of life.

Now, a good program—we have focused on the definition of that program—needs a developmentally appropriate curriculum, and I think a lot of the things that are talked about, for example, in the Act for Better Child Care Services, would focus on providing that kind of experience. Small groups, trained teachers, staff-child ratio where adults can really relate to the children—those kinds of things are not excessive regulation; they are the bare minimum needed for the kinds of benefits that we are talking about.

I am not saying that we can get $39,000 of benefit for every child, but the pattern is the same for every child who is living in poverty. Children living in poverty are at-risk, and we can reduce those risks. But we have to spend the money on quality, and we have to focus on the quality of programs.

If we look at the various proposals for Federal regulation, one of the things that strikes me about this—I have been in about half of the States, talking to different State groups, and I keep thinking about how I say the same thing in every State—the definition of a good program is the same in every State. That is not to say that there are not differences. There are certainly cultural differences, and there are certainly differences in the wealth of States and where they stand currently. But the definition of a good program is the same—a one-to-ten ratio for four-year-olds is just as important in Mississippi and Texas as it is in Vermont and Maryland.

Now, I am not real clear exactly how we are encouraging diversity if we want to permit poor programs in certain States that are not presently requiring that kind of quality. There are seven States right now that require a 20-to-1 ratio even though we have a 10-to-1 ratio that is documented by research as relating to a good program.

So the question in my mind is why is it that those States are not as forthcoming as they might be in actually putting into law a requirement for good programs.

I think it is mostly not a lack of resources so much as a lack of will and perhaps our own lack of communication of the tremendous benefits of the early years and of good programs in those early years.

We have lots of old sayings—"A stitch in time saves nine"; "As the twig is bent, so the tree grows"; "An ounce of prevention is worth a pound of cure"—we have all heard those things over and over again, but for some reason, we still do not act as though we believe them, and I hope that through actions that this subcommittee takes and all of us take, we can come to put into action those kinds of beliefs.

Senator DODD. Thank you very much, Doctor. And I should have noted at the outset, of course, the Perry Preschool Study is one of the most widely respected studies ever conducted. I can tell you it is referred to repeatedly in private conversations around here between Senators and staff and others, and we commend you for that effort.

[The Prepared statement of Dr. Schweinhart follows:]

High/Scope Educational Research Foundation
600 North River Street
Ypsilanti, Michigan 48198-2898
(313) 485-2000

David P. Weikart
President

QUALITY OF CARE IS CRUCIAL TO YOUNG CHILDREN'S DEVELOPMENT

Testimony before the
Subcommittee on Children, Family, Drugs and Alcoholism
Committee on Labor and Human Resources
U.S. Senate

Presented by
Lawrence J. Schweinhart
High/Scope Educational Research Foundation

January 24, 1989
Washington, DC

Mr. Chairman and Members of the Subcommittee:

My name is Lawrence Schweinhart, and I represent the High/Scope Educational Research Foundation, founded by David Weikart in 1970 in Ypsilanti, Michigan. Our mission is to develop, test, and disseminate applied knowledge of human development to the care and education of young people. We are best known for the Perry Preschool study, which demonstrated the long-term effects of good early childhood programs for children living in poverty; and for the High/Scope Curriculum, an educational approach, now used by thousands of teachers throughout the U.S. and around the world, wherein teachers encourage young children to initiate and take responsibility for their own learning activities.

I encourage you to pass legislation that supports and assures the quality of early childhood programs, for all children but especially those living in poverty. I encourage you to maintain this goal as you consider the Act for Better Child Care Services, Smart Start, tax credits for families with young children, the reauthorization of Head Start, and other legislative proposals.

Research consistently shows that early childhood program quality is crucial to children's development. Today, early childhood programs serve three out of ten of the nation's 16.1 million children under 5 in day care homes, day care centers, and part-day programs. But only two of these three children are in programs that we know to meet even minimal standards of quality; and minimal standards are only the baseline of a professional approach in which adequately paid professionals deliver consistently good early childhood programs. Our nation is indeed at risk, a risk that begins at birth and is greatest in these years of public neglect prior to school entry. All of us--including federal, state, local, and program authorities--must act to remedy this situation.

By equating program quality with federal regulations, those opposed to federal regulations have placed themselves in the peculiar position of either opposing or ignoring program quality. But program quality is too important to our national future to be made a partisan issue. New legislation that supports program quality deserves the support of Republicans and Democrats alike. Among others, our new First Lady, Barbara Bush, has expressed her concern about the quality of the nation's child care programs (New York Times, January 16, 1989).

Potential Benefits of Good Care

Research consistently confirms what common sense suggests: Regardless of children's social class, good early childhood programs contribute to their development; poor early childhood programs do not contribute and may even harm their development.

Such research has been most extensive for children living in poverty--who now constitute 23 percent of our nation's children under 5 and 46 percent of our nation's Black and Hispanic children under 5. Good early childhood programs will improve their intellectual performance and social behavior so that they experience less failure in their early school years. Good early childhood programs make it less likely that they will need to be placed in special education or held back a grade. According to a few long-term studies, such as our Perry Preschool study, good early childhood programs can eventually help young adults raised in poverty to be literate, employed, and enrolled in postsecondary education; and can help prevent them from becoming school dropouts, labeled mentally retarded, on welfare, and arrested for delinquent offenses and crimes.

Cost-benefit analysis of the Perry Preschool Program reveals that such programs can be an excellent investment for taxpayers, bringing a substantial return for every dollar invested--three dollars per dollar invested in a 16-month program at ages 3 and 4 and six dollars per dollar invested in an 8-month program at age 4. For each participant, in 1988 dollars discounted at 3 percent, the annual program cost of $6,600 achieves total benefits to taxpayers of about $39,000--from savings in costs of special education, crime, and welfare assistance, and higher tax revenues due to projected increases in lifetime earnings. As long as the quality of the program is maintained, a per-child cost of $4,000 a year could probably achieve the same results. Based on these findings, the Committee for Economic Development, an organization of 250 business executives and university presidents, in its 1987 book Children in Need, said, "Preschool programs that target the disadvantaged and stress developmental learning and social growth represent a superior educational investment for society." The soaring federal deficit makes into a crisis our continuing need for frugality in public spending, our need to identify and implement least-cost alternatives that effectively deal with social problems. New early childhood spending can be a least-cost alternative. We cannot choose to spend nothing; our choice is whether to spend $4,000 per child per year now or $39,000 later on problems that could have been prevented.

Early childhood program quality is also important for middle-class children's development, although not as much as for children in poverty. Studies that include middle-class children, such as the federally-sponsored National Day Care study and the studies of Carollee Howes, show that as program quality improves, adult and child behavior improves and programs contribute more to children's development. Programs contribute more when group sizes are small, when there are enough adults, and when these adults are trained in early childhood development. According to the Brookline Early Education Project in Massachusetts, which provided comprehensive services to children from infancy to kindergarten and served both middle-income and low-income families, half as many participants had classroom behavior problems and fewer had reading difficulty by grade two.

All this research leads to the conclusion that good early childhood experience contributes more to children's development than does poor early childhood experience, whether this experience takes place in families or in supplemental programs. Families won't always do a better job without programs, but neither will programs always do a better job than families. The bottom line is this: Good early childhood programs help all children; poor early childhood programs don't help anybody and ought to be either improved or eliminated, although elimination is a drastic option when there are not enough programs to meet the need.

Good Care and Standards

Building on research findings and the collective experience of the past two decades, we have developed a definition of early-childhood-program quality that includes a child development curriculum; low enrollment limits; staff trained in early childhood development; supervisory support and inservice training; parent involvement as partners with staff; sensitivity to children's physical, health, safety, and nutrition needs and families' child care and social services needs; and developmentally appropriate evaluation procedures. This definition takes into account parental wishes, but is rooted and tested in the experience of practices that contribute to children's development. Good early childhood programs can take place in settings that have adequate financial and physical resources and adequate numbers of qualified staff--in homes, centers, nursery schools, public schools, and Head Start programs. There is no difference between good early childhood education and good child care; the only difference is in their hours of operation.

It should be an urgent national priority to maintain, and improve as necessary, the quality of all early childhood programs in day care homes, day care centers, and part-day programs. To achieve this end, policymakers should use regulations judiciously and promote the professionalism that incorporates and goes beyond regulations. In Gwen Morgan's words, "Regulation is a blunt instrument for achieving quality, but it is of great importance in creating a safety net under the field of practice."

The public receives assurance of a measure of quality in early childhood programs through either licensing by agencies or sponsorship by schools or agencies, but neither is sufficient to guarantee it. Compliance with regulations or guidelines establishes only that a program demonstrates some minimal level of quality that does not present children with obvious risks. Gwen Morgan reports that states license

- day care homes--with 16 states requiring only registration and 24 states separately licensing group homes with two or more caregivers
- day care centers--except for church-affiliated centers in 12 states
- nursery schools--except in 21 states.

Because public and private schools, governmental agencies like Head Start and the Department of Defense, and parent cooperatives sponsor their own programs, states do not license them. Further, the government neither licenses nor sponsors care by relatives or friends, religious instruction, or recreational activities for school-age children.

Our best estimate is that 62 percent of the children under 5 enrolled in early childhood programs are in programs that are registered, licensed, or publicly sponsored. We estimate that 83 percent of young children in day care centers and nursery schools are in licensed or sponsored programs; and that 28 percent of young children in day care homes are in licensed or registered ones. Depending on their efforts to achieve total coverage, states vary greatly in the percentages of homes and centers that are licensed or registered.

The National Day Care study found that to maintain children's development, an adult should take care of no more than 10 3- to 5-year-olds. Thirty-six states observe this limit for 3-year-olds and 17 observe it for 4-year-olds. But 14 states exceed this limit for 3-year-olds, and 33 exceed it for 4-year-olds. Indeed, 6 states permit an adult to take care of 20 4-year-olds--double what the National Day Care study recommends.

The National Day Care study found that to maintain children's development, caregivers should be trained in early childhood development. But 7 states require neither past nor ongoing early childhood training for caregivers in centers; and 30 states have no such requirements for caregivers in homes. Further, although parent involvement is widely recognized as essential to good early childhood programs, 14 states require no parent-involvement efforts by caregivers in centers, and 30 states require no parent-involvement efforts by caregivers in homes.

Program quality encompasses not only regulations, but also a professionalism that goes well beyond regulatory compliance. Regulations can compel conformity to such static, easily measured criteria as enrollment limits, staff-child ratios, physical setting, and staff degrees and credentials in early childhood development. They can require the simple existence of the other components. But most of these components--such as curriculum, parent involvement, and supervisory support--also have subtle, judgmental aspects that go well beyond regulations alone. Professionalism relies on strong staff responsibility, personal autonomy, and high personal investment of energy. It should rest on professional salaries for early childhood teachers. Yet the average salary for child caregivers and Head Start teachers is only about $12,000--about the same as the federal poverty level for a family of four. Largely as a result, staff turnover exceeds one out of three per year. Higher salaries will not guarantee professionalism, but current poverty-level salaries constitute a formidable obstacle to the needed level of professionalism.

Federal Standards

Everybody worries about too many federal regulations. We readily conjure up the image of harried administrators prevented from doing useful work because they are filling out endless, meaningless forms. State and local policymakers fear that well-meaning federal policymakers create rules that ride roughshod over local situations and stifle local initiative and creativity. I asked one creative administrator what he thought of federal regulations for early childhood programs; he said that he could probably figure out some way around them. On the other hand, we taxpayers deserve to have our tax dollars well-spent and to know that they are well-spent. We deserve assurance that taxes spent on early childhood programs are spent on good ones and not poor ones and that programs beyond our families meet at least minimal standards of quality.

The various early childhood legislative proposals address the issue of program quality in various ways

- The Act for Better Child Care Services calls for minimal standards in five areas--health and safety, group size, child-staff ratios, caregiver qualifications, health and safety, and parent involvement--and provides funds for improving staff salaries and providing some staff training. As proposed this session, ABC requires only that programs receiving ABC funding meet these standards, a highly defensible position.
- Smart Start goes further in providing funds for such components of program quality as a developmentally appropriate curriculum; responsiveness to needs for child care, health screening, social services, and nutrition services; parent involvement and education; upgrading of staff salaries; and staff training in early childhood.
- Head Start has maintained a national focus on program quality over the years through its Program Performance Standards; its greatest weakness today in delivering good programs is its low staff salaries and resultant staff turnover.
- The Administration-proposed tax credits of $1,000 for low-income families with young children would slightly improve their living

standards and enable them to spend more on child care, but would probably provide no more than a marginal improvement in program quality.

Over the past few years, I have given speeches to policymakers and early childhood advocates in half the states. In every state, I have used the same definition of early childhood program quality. It is not this definition that varies from place to place. What does differ is awareness among policymakers and other influential people of the importance of the early years and of the potential human and economic value of investments in young children and their families. This difference in awareness is more important, I think, than the obvious differences in state wealth and state government revenues. Although the advocacy of such organizations as the Children's Defense Fund and the Committee for Economic Development has made its mark, there is still much work to be done.

Clearly, our nation, despite its current budgetary problems, is rich enough to invest more in our young children. The policy process can identify and occasionally even solve national domestic problems; for example, in two decades we have eliminated the excessive poverty rate among the nation's elderly. Now we must respond to the largest demographic shift in our generation--the vast, worldwide increase in maternal labor force participation--by the widespread provision of good early childhood programs.

Samuel Sava, executive director of the National Association of Elementary School Principals, has spoken of "the endangered promise" of early childhood. The research-documented promise is that early childhood programs can contribute to children's development, help prevent the personal and social problems of children living in poverty, and save society money. The danger is that we may squander the opportunity, by placing inappropriate elementary-school-level expectations on young children or by failing to provide the good care that not only protects children from immediate harm but also contributes to their long-term development.

The wisdom of old sayings is the correct advice today. Let's avoid being left with the pound of cure, the nine unneeded stitches, and the tree growing in the wrong direction. Let's seize this opportunity to take the ounce of prevention, make the stitch in time, and bend the twig in the right direction.

Senator DODD. Ms. King.

Ms. KING. Good afternoon, Mr. Chairman and members of the subcommittee.

I am Marilyn King, Manager of Equal Opportunity Programs for Hallmark Cards in Kansas City, Missouri. I am pleased to be invited here today, and that your committee, Senator Dodd, is interested in hearing about our company's interest in child care is a real privilege for us. We welcome this opportunity to share our experiences; and I will say that this day has been a real education for me, too.

First, I will just tell you a little bit about our company. We were founded in 1910, and Hallmark is headquartered in Kansas City, Missouri. Our business is international in scope, and it has grown from a base business of greeting cards to include a wide variety of businesses ranging from Crayola crayons to Univision Spanish-language broadcasting.

We have 19,000 employees worldwide, with approximately 7,000 employees in the Kansas City area.

Over the years, Hallmark has worked diligently to be a responsible corporate citizen. We are dedicated to taking an active role in improving the communities in which we operate, and we make charitable contributions through our company and The Hall Family Foundations.

As we have examined various alternatives which might solve the dilemma our employees face with the child care issue, we felt that whatever assistance we offered should be built upon and should support the network of services already available in the community, because this network can offer choices to meet the individual needs of not only our employees, but of any parent who is looking for day care in the Kansas City area.

This led to our association with the Kansas City agency, Heart of America Family Services. In 1985, we gave funds for a community working parent survey. The results of that survey confirmed that finding child care was difficult and time-consuming for our employees.

In 1986, start-up money was contributed to this agency to expand a data base identifying child care providers. We established a contract with Heart of America to provide resource, referral, information, and assistance for Hallmark employees who may be in need of care for their children, aging family members, and family members with disabilities, and we call this program "Family Care Choices".

To utilize the service, an employee calls a dedicated phone line and specialists provide information and counseling on the individual's case. Consumer materials are mailed to the employee, along with a letter confirming the referrals.

We rely on Heart of America, as we feel they have the most knowledge and capacity to assess child care providers for our employees, and they also provide this similar service for other major companies in the Kansas City area. We are pleased that we were able to fund and get the program started, and we have done a lot of work in working with other corporations to get them involved in this activity.

As an expansion of the Family Care Choices Program, we opened a family resource center in our Kansas City headquarters. This gives employees a central location where they can meet for seminars, and find brochures, books, and videos on a variety of family care subjects. The lunch-time seminars include a wide range of topics—prenatal education, finding and evaluating child care, parenting skills, and eldercare.

Hallmark parents who call this child care information and referral source are mailed a booklet called, "Choosing Child Care". This helps them to answer some of the following concerns: What are my options? What is quality child care? What about child abuse? Child care regulations? And how to make an agreement with a provider.

To address the specific concern of finding safe, quality, well-run facilities, we recently joined others in the community on a task force created by Heart of America Family Service. The task force attempted to answer questions concerning quality care voiced by both child care providers and the parents of young children. The resources we used were the Missouri and Kansas licensing standards and the National Association for the Education of Young Children accreditation criteria.

The result of the committee's work was a booklet entitled, "Child Care: Your Quest for Quality." Used as a tool, this booklet helps a child care provider transform their facility from one that simply provides babysitting services to a quality center which can impact positively upon the physical and mental development of children in their care.

Areas covered in this booklet include: health and safety, growth and development, techniques for positive guidance, fostering positive interaction, how to create a partnership with parents, and effective staff management.

Hallmark's participation in this project was worthwhile, and we hope it will lead to assuring that quality service can be expected and provided.

We feel education is very important for parents and providers, and when this is provided, of equal importance, the worries and distractions that face parents daily will be eased when they know their children are well-taken care of.

We feel that we need all sectors of our community working together to make a better life for employee parents and their children. We also feel that our direct involvement can enhance efforts to provide quality child care.

I thank you for this opportunity to share our involvement in community child care issues.

Mr. Chairman, a copy of each publication that I have mentioned in the text is available.

Senator DODD. Thank you very much, Ms. King. We thank you for being here to share with us the experience of Hallmark.

[The prepared statement of Ms. King follows:]

TESTIMONY BEFORE
THE COMMITTEE ON LABOR AND HUMAN RESOURCES
SUBCOMMITTEE ON CHILDREN, FAMILIES, DRUGS AND ALCOHOLISM
U. S. SENATE

by

Marilyn King

Hallmark Cards, Incorporated

January 24, 1989

Good afternoon, Mr. Chairman and members of the Subcommittee. I am Marilyn King, Manager, Equal Opportunity Programs, for Hallmark Cards, Incorporated. I am pleased to be invited here today as work and family issues are of significant concern to Hallmark employees and are, therefore, of significant concern to Hallmark management. That your committee, Senator Dodd, is interested in hearing about our company's interest in child care is a privilege for us, and we welcome this opportunity to share our experiences.

First, let me tell you just a little bit about our company. Founded in 1910, Hallmark is headquartered in Kansas City, Missouri. Our business is international in scope and has grown from our base business of greeting cards to include a wide variety of businesses ranging from Crayola crayons to Univision Spanish-language broadcasting. We have 19,000 employees worldwide, with approximately 7,000 full-time employees located in the metropolitan Kansas City area.

Over the years, Hallmark has worked diligently to be a responsible corporate citizen. We are dedicated to taking an active role in improving the communities in which we operate and make financial and charitable contributions through our company and The Hall Family Foundations. Hallmark's commitment to quality and excellence is our company's hallmark, if you will. We strive to ensure that our products and those projects backed by us, have the same quality that is synonymous with our name.

Today at Hallmark we focus on four specific areas of local emphasis in our corporate giving: the needs of young people, particularly in regard to education and welfare; economic development of the central city; support of major visual and performing arts institutions; and the needs of older persons.

In the arena of the needs of young people, Hallmark has participated in activities ranging from support to individual schools, children's hospitals and residential treatment facilities for abused children to innovative programs such as the Genesis School, an alternative school that successfully serves inner-city youngsters who have had difficulty succeeding in the public school system.

For the past 15 years, we have examined various alternatives which might solve the dilemma our employees face with the child care issue. We felt that whatever assistance we offered should be built upon and should support the network of services already available in the community -- A network which offers choices to meet the individual needs of not only our employees but of any parent who is looking for day care in the Kansas City metropolitan area.

Let me go back to the initial investment made by Hallmark in dealing with a community-wide interest in child care. In 1980, Hallmark made a monetary contribution to a non-profit, local organization that is affiliated with the Family Service America in Washington, D.C. We funded The Working Parents Project Survey which confirmed the community's need for a resource and referral service. It is this survey which led to future committees and discussion between Hallmark and the agency and to continued financial support.

Our association with this Kansas City agency - Heart of America Family Services (HAFS) - has been ongoing. In 1986, start-up money was contributed to expand a data base identifying child care providers.

A contract between Hallmark and Heart of America permits employees to make use of that data base and receive personal assistance. The Hallmark contract with HAFS provides resource, referral, information and assistance for Hallmark employees who may be in need of care for not only their children, but also for aging family members or for family members with disabilities. This program is called Family Care Choices.

Any employee who wants it can receive referral to appropriate services, consumer education, telephone counseling and support at the worksite through seminars. To utilize the service, an employee calls a dedicated phone line, and specialists provide information and counseling concerning an individual's case. Consumer materials are mailed to the employee, along with a letter confirming the referrals, and a written follow-up with the families is conducted. Neither Heart of America Services nor Hallmark Cards, Inc. warrants or approves any provider.

As an expansion of this Family Care Choices program, Hallmark opened a family resource center in its Kansas City headquarters building in November, 1987. The new center gives employees a central location where they can meet for seminars and find brochures, books and videos on a variety of family care subjects.

The lunch time seminars include a wide range of topics: prenatal education, finding and evaluating child care, parenting skills and eldercare.

Specifically with respect to child care, we know that working parents face a dilemma when they seek child care. They want to know their child will develop, not regress or suffer, in the hours away from home. Parents want a safe, well run facility for their child care dollar. They are looking for suitable care and may have special requirements.

Every Hallmark parent who calls the Family Care Choices number for information and referral on child care is mailed a booklet called "Choosing Child Care" which helps them to answer the following concerns:

What are my options?
How do I know what's best?
A comparison: Child care options.
How much should I expect to pay?
What is quality child care?
What about child abuse?
Child Care regulations.
A parent's checklist.
Making an agreement with a provider.

To address the specific concern of finding safe, quality, well-run facilities, we recently joined with others in the community in a two-year task force created by HAFS to look into what would help providers respond to the desire for quality child care. The task force consisted of a diverse group representing all aspects of child care. The Task Force wanted to find out what could be done to help child care centers or providers address the concerns of parents; i.e. how to recognize quality care, how can a center improve child care services; what kind of information would be most beneficial from a parent's perspective.

Acknowledging that standards are important if adequate quality care is to be provided, the task force looked at areas which needed to be dealt with by the provider. We wanted to come up with a model of guidelines that would be made available to those child care providers interested in quality. It is unique in that the resources we used were the Missouri and Kansas license standards and the accreditation criteria for the National Association for the Education of Young Children. Providers can voluntarily adapt to these standards to enhance the quality of their services.

The task force attempted to answer questions concerning quality care voiced by both child care providers and the parents of young children. The result of the committee's work is a booklet entitled, CHILD CARE: YOUR QUEST FOR QUALITY.

Used as a tool, this booklet helps the child care provider transform their facility from one that simply provides "babysitting" services to a quality center which impacts positively upon the physical and mental development of the children in their care.

Areas covered include Health and Safety, Physical/Intellectual Growth & Development, Fostering Positive Interaction, Techniques for Positive Guidance, Create a Partnership with Parents, and Effective Staff Management.

I can state unequivocally that Hallmark's participation in the project was worthwhile, and we believe it will lead to assuring that quality service can be expected and provided. With abundant, adequate and essential information, and education, parents and providers will both be better served. And of equal importance, the worry and distractions that face parents daily will be eased when they know their children are well cared for.

We feel that we need all sectors of our community working together toward a common goal to make a better life for employee parents and their children. We believe that our direct involvement can enhance efforts to provide quality child care.

Thank you for this opportunity to share our involvement with community child care issues to date.

A copy of each publication mentioned is provided for you and may be inserted as part of my recorded testimony.

Senator DODD. Ms. Lucas, I have read your testimony—I read all of your testimony, the ones that had been submitted by last night, anyway—and I found the testimony from the United States Army just tremendous, and I really want to thank you for the amount of work and labor that went into that.

I am already encouraging my colleagues here who had to leave, and others, to read through your testimony. It is a blueprint for how we ought to proceed, in a sense. You have been through it once, and I know the military takes its knocks from time to time from people, but there are a lot of reasons to be proud of our armed forces, for the fact that the Army on its own, with no mandate from Congress, with no one sitting there, went out and decided through a process beginning back in the early part of this decade to really see to it that the personnel who serve this country, both here and abroad, a growing number of families, of single parents—I was surprised how many single men are caring for children in the armed forces—that we guarantee them that they are not only going to get child care, but damn good child care.

Yours is lengthy testimony. I want you to talk about this, but if you can in some way boil it down a little bit here, and then I would urge everybody to read your testimony, it would be of help. But I really do appreciate it immensely.

Ms. LUCAS. Yes, Senator, I have summarized it.

Senator DODD. Thank you. It is worth reading.

Ms. LUCAS. We have moved from an Army comprised largely of single men to a force where almost 60 percent are married, and 44 percent of our spouses are working. Today's Army has also increasing numbers of single soldiers and dual-military parents.

These changing demographics, coupled with the fact that 76 percent of Army children are under age 12 years, have made Army child care operations necessary at most locations.

Due to frequent relocations, the military family does not have the stability of an established neighborhood, nor the proximity of relatives to support a constant and reliable child care plan.

The Army has a vested interest in providing quality child care because we expect many of our future soldiers will come from the current child care population that are present in our child care programs today. For example, a 1982 Rand Corporation study showed that 75 percent of the military force at that time came from a military background.

We are closely following the longitudinal research, such as Larry is doing, because of this future generation that we expect to be in our force. We are particularly interested in the areas of receptivity to training and the increased responsiveness to the job—in our case, the duty/mission requirements.

We have an extensive child care program. Some 149,000 children were enrolled in Army child care programs in fiscal year 1987. That translates into more than 300 child development centers and over 8,000 family child care homes.

I would like to emphasize that a significant part of that care is for infants and toddlers. Almost 40 percent of our spaces are reserved for this age group. I think that is a considerably larger number than is generally available in the private sector.

We like to stress that because we feel these infants and toddlers are our most vulnerable population, they were in fact a major consideration in our decision to use child care standards as a way of monitoring the quality of our care.

I would now like to talk a little bit about where our standards came from and the process that we went through in developing them.

Our standards were established in 1983 as part of the Army's response to a General Accounting Office study which surfaced concerns about the quality of military child care and the adequacy of the facilities that housed our children. In an effort for us to assess the extent of the problem, the Army conducted a follow-up survey of all of our programs around the world. It was at that time that we realized we had no single, consistent way of evaluating the care provided to our children. Each State had different standards, and to complicate matters even worse, many of our programs are in overseas areas, some of which have no requirements at all, or unique host nation requirements that were difficult for us to relate to.

So the bottom line was there were no standards that the Army could apply Army-wide.

The development of our standards was really quite a complex process. We reviewed comprehensively all of the existing State child care regulations that were available. In addition, we reviewed some of the following sources—the proposed Federal interagency daycare guidelines; the Child Welfare League of America standards for day care; recommendations by the National Association for the Education of Young Children and other professional organizations; Federal study findings, for instance, the National Daycare Study; the Head Start performance standards; guidance from the Centers for Disease Control.

Our facility criteria was derived from the National Fire Life Safety Code, other nationally recognized building codes, and we asked the University of Wisconsin Center for Architectural and Urban Planning Research to review some 50 private and public sector facilities and playgrounds in an effort to give us a baseline for our standards.

Once we had done that background investigation, subject matter experts from within the office of the Army Surgeon General, the Corps of Engineers, the Army Safety Center, and Army Child Care Headquarters child care staff formed a multidisciplinary work group which identified broad categories to serve as a framework for our standards. Then we developed specific standards within these categories.

Once we had done that at the headquarters level, then we did what we like to call the "reality test". We went out to the private sector, to our installations, to parents, to the actual health officials, the fire inspectors, et cetera, who would be applying these standards, and got their comments on them.

One of the things we would like to stress is that it is important to note that within the Army, we have two parallel sets of standards—one for our centers, and one for our family child care homes. The standards are comparable, but they are not identical. And as we reviewed many of the State standards, this was one of the weaknesses that we found that very often they were carbon copies of each other, and as we know, they are two different types of settings.

We have been very careful to ensure that our family child care standards really do reflect the reality of the home setting.

Our standards encompass eight compliance areas. They are divided into fire, safety, developmental programming, child abuse prevention and response, health, food and nutrition, facility/structural, and program management. There are anywhere from eight to ten to fifteen standards within each compliance area which address the major requirements in each area that we feel are necessary to ensure the health and the safety and the well-being of the children in care.

Some of our standards are quite specific. For example, quote, "There is a battery-operated or hardwired smoke detector device inside the housing unit used for family child care." Others are more general. Quote, "Methods of promoting parent involvement are established and implemented."

Most of our standards are considered a baseline for establishing a minimum level of program quality. However, some of our standards were included to emphasize specific areas that we felt needed to be addressed at the time or called particular attention to by an oversight authority.

Army standards have been developed to minimize the possibility of injury, abuse, neglect, and to decrease the number of situations where children might be at risk.

We feel that our standards focus on the subject matter experts—for instance, the fire people, the health people, the safety people, and our early childhood people—on those areas that are most critical. We feel that by directing the oversight authorities' attention to specific items, the standards will structure the inspection process.

We make great efforts to dispel the myth that use of standards automatically means increased costs and layers of bureaucracy. Yes, there are increased costs when buildings do not meet fire standards, or rooms serving infants do not have running water. However, most of the standards involve accountability for job performance of existing personnel to include the people providing the care themselves, the management oversight, and the actual regulatory oversight authorities themselves.

One of our concerns has been that, as we monitor the standards, there has been selective application by the program operators and inconsistent interpretation by the various oversight authorities. Our experience has been that standards which have a clear rationale are more apt to be met. When people understand the intent behind them, and there are examples of how it is intended to be used, they are more apt to not only comply, but support the standard.

Additionally, it is important to explain the intent of each standard and where possible, provide alternative equivalencies to that standard. And this is an area where I feel it is particularly applicable when we are looking at Federal standards as opposed to State standards, that the Federal standards could be a broad framework, and then the alternative equivalencies process might in fact be used by the State.

Having alternative equivalencies is important, since they accommodate unique situations and require local officials to review the standard in light of a particular situation and apply professional judgment to ensure the intent of the standard remains fulfilled. Alternative equivalencies also allow local subject matter experts to buy into the compliance process because they can recommend alternative equivalencies.

Standards cannot be static. They must evolve, both as the state of the art in terms of construction, facility construction, or as early childhood education changes. Just having those measurable standards, we feel, is not enough. They must be enforceable. They cannot exist in isolation. And generally, this requires some form of enabling legislation or regulatory guidance.

The Army standards are contained within the child development services regulation, which is comparable to State licensing requirements, and it contains provisions for inspections and annual reports to higher headquarters.

We are convinced that standards do improve the quality of care. Surveys of soldiers and their spouses over the past three to four years indicate increased satisfaction with the quality of care since the standards have been in effect. We have tried to take a common sense approach to our standards, both in what we require and in our provisions for compliance. As we inspect, we do find noncompliance—this is not unusual. But what is surprising is that the noncompliance is usually not obscure or esoteric; rather, we find the violations such as hazardous cleaning materials that are accessible to children, electrical outlets which are not childproofed, inadequate handwashing facilities or sanitary procedures. These types of findings have convinced us of the necessity to emphasize the obvious and the importance of follow-up to ensure compliance.

The use of standards to attain quality child care does not mean that the care is improved overnight; it is an evolutionary process. Yet as we see Army oversight authorities, care providers and parents internalize a standard, we see it becomes a way of doing business, because the staff and the other functional experts have a common understanding of the importance and the intent of the standards.

We have a saying in the Army that we recruit the soldier, but we retain the family. Child care is one of the services we can provide to the soldier that will make a real and tangible impact on his family's day-to-day well-being. Quality child care based on enforceable standards is a visible commitment the Army is making to soldiers so that they can know unequivocally that their children are well-cared-for while they are preparing to defend our country.

Thank you.

[The prepared statement of Ms. Lucas follows:]

STATEMENT

OF THE

CHIEF, CHILD DEVELOPMENT SERVICES

UNITED STATES ARMY COMMUNITY AND FAMILY SUPPORT CENTER

MARGARET A. LUCAS

HEARINGS BEFORE THE

SUBCOMMITTEE ON CHILDREN, FAMILIES, DRUGS AND ALCOHOLISM

SENATE LABOR AND HUMAN RESOURCES COMMITTEE

CONCERNING

DEPARTMENT OF ARMY

CHILD CARE STANDARDS

24 JANUARY 1989

NOT FOR PUBLICATION UNTIL RELEASED
BY THE SENATE LABOR AND HUMAN RESOURCES COMMITTEE

STATEMENT FOR THE RECORD

DEPARTMENT OF ARMY CHILD CARE STANDARDS

MR CHAIRMAN, MEMBERS OF THE COMMITTEE, THE DEPARTMENT OF ARMY APPRECIATES THE OPPORTUNITY TO ADDRESS OUR INITIATIVES TO PROVIDE QUALITY CHILD CARE FOR OUR SOLDIERS AND THE NEED FOR MEASURABLE, ENFORCEABLE STANDARDS TO MAINTAIN THAT QUALITY. CHILD CARE IS A READINESS AND RETENTION ISSUE. A RECENT ARMY SAMPLE SURVEY SHOWED THAT 20% OF ALL SURVEYED ENLISTED SOLDIERS AND 22% OF ALL SURVEYED OFFICERS HAVE LOST JOB/DUTY TIME DUE TO A LACK OF ADEQUATE CHILD CARE. IN FY 87 ALMOST 800 SOLDIERS LEFT THE ARMY BECAUSE OF PROBLEMS ASSOCIATED WITH PARENTHOOD. NO DOUBT, FOR MANY, CHILD CARE WAS A FACTOR. WE HAVE MOVED FROM AN ARMY COMPRISED LARGELY OF SINGLE MEN TO A FORCE WHERE ALMOST 60% ARE MARRIED AND 44% OF OUR SPOUSES ARE WORKING. TODAYS ARMY ALSO HAS INCREASING NUMBERS OF SINGLE PARENT SOLDIERS AND DUAL MILITARY PARENTS. THESE CHANGING DEMOGRAPHICS COUPLED WITH THE FACT THAT 76% OF ARMY CHILDREN ARE UNDER AGE 12 YEARS, HAVE MADE ARMY CHILD CARE OPERATIONS NECESSARY AT MOST LOCATIONS.

MORE THAN 107,337 SOLDIERS INCLUDING 81,000 ENLISTED MEMBERS USED ARMY CHILD CARE SERVICES IN FY 87. (NOTE: FY 88 DATA IS NOT AVAILABLE UNTIL MARCH 89) DUE TO FREQUENT RELOCATIONS, THE MILITARY FAMILY DOES NOT HAVE THE STABILITY OF AN ESTABLISHED NEIGHBORHOOD, NOR THE PROXIMITY OF RELATIVES TO SUPPORT A CONSTANT AND RELIABLE CHILD CARE PLAN. THE ARMY HAS A VESTED INTEREST IN PROVIDING QUALITY CHILD CARE BECAUSE WE EXPECT MANY

OF OUR FUTURE SOLDIERS WILL COME FROM THE CURRENT CHILD POPULATION IN OUR CHILD CARE PROGRAMS. FOR EXAMPLE, A 1982 RAND CORPORATION STUDY SHOWED THAT 75% OF THE MILITARY MEMBERS AT THAT TIME CAME FROM A MILITARY BACKGROUND. WE ARE CLOSELY FOLLOWING THE LONGITUDINAL RESEARCH THAT LINKS QUALITY CHILD CARE PROGRAMS WITH FUTURE ADULT PERFORMANCE, PARTICULARLY IN THE AREAS OF RECEPTIVITY TO TRAINING AND INCREASED RESPONSIVENESS TO JOB (DUTY/ MISSION) REQUIREMENTS.

LIKE OUR COUNTERPARTS IN THE CORPORATE WORLD, WE HAVE FOUND THAT CHILD CARE IS A MAJOR WORK FORCE ISSUE. UNLIKE MANY OF OUR CIVILIAN AND FEDERAL AGENCY COUNTERPARTS, THE ARMY HAS BEEN IN THE CHILD CARE BUSINESS FOR THE PAST TEN YEARS. IN FACT, WE HAVE BECOME THE LARGEST CORPORATE CHILD CARE PROVIDER IN THE COUNTRY.

PROGRAM OVERVIEW

THE ARMY CURRENTLY PROVIDES ON-SITE CHILD CARE AT 174 LOCATIONS WORLDWIDE. SERVICES INCLUDE FULL-DAY, PART-DAY AND HOURLY CARE PROVIDED WITHIN 304 CHILD DEVELOPMENT CENTERS AND 8,189 FAMILY CHILD CARE HOMES. SOME 149,000 CHILDREN WERE ENROLLED IN ARMY CHILD CARE PROGRAMS IN FY 87. THIS REPRESENTS A 43% INCREASE IN CHILDREN SERVED SINCE FY 83. AT ANY GIVEN TIME APPROXIMATELY 50,000 CHILDREN ARE IN CARE.

IT IS IMPORTANT TO NOTE THAT UNLIKE THE PRIVATE SECTOR, A SIGNIFICANT PART OF THE CARE WE PROVIDE IS FOR INFANTS AND

TODDLERS. ALMOST 40% OF OUR SPACES ARE RESERVED FOR THESE AGE GROUPS. IN FY 87 THE ARMY CARED FOR 25,322 INFANTS AND 30,814 TODDLERS FOR A TOTAL OF 56,136 CHILDREN IN THESE CATEGORIES. THESE AGE GROUPS (WHICH REPRESENT THE ARMY'S GREATEST UNMET DEMAND FOR CARE) ARE ALSO OUR MOST VULNERABLE POPULATIONS, AND IN FACT SERVE AS A MAJOR CONSIDERATION IN OUR DECISION TO USE CHILD CARE STANDARDS AS A MEANS OF MONITORING THE QUALITY OF CARE.

DEVELOPMENT OF STANDARDS

ARMY CHILD CARE STANDARDS WERE ESTABLISHED IN 1983 AS PART OF THE ARMY'S RESPONSE TO A GENERAL ACCOUNTING OFFICE STUDY WHICH SURFACED CONCERNS ABOUT THE QUALITY OF MILITARY CHILD CARE AND THE ADEQUACY OF THE FACILITIES HOUSING THE CHILDREN. IN AN EFFORT TO ASSESS THE EXTENT OF THE PROBLEM, THE ARMY CONDUCTED A FOLLOW UP SURVEY OF ALL OUR PROGRAMS AROUND THE WORLD. IT WAS AT THIS TIME WE REALIZED THAT WE HAD NO SINGLE CONSISTENT WAY OF EVALUATING THE CARE PROVIDED TO OUR CHILDREN. EACH STATE HAD DIFFERENT STANDARDS. TO FURTHER COMPLICATE MATTERS, MANY OF OUR PROGRAMS ARE IN OVERSEAS AREAS WHICH EITHER HAVE UNIQUE HOST NATIONS REQUIREMENTS OR IN SOME INSTANCES NO REQUIREMENTS AT ALL. THERE WERE NO STANDARDS THAT COULD READILY BE APPLIED ARMY WIDE.

THE DEVELOPMENT OF THE ARMY STANDARDS WAS A COMPLEX PROCESS THAT INVOLVED A COMPREHENSIVE REVIEW OF ALL EXISTING STATE CHILD CARE REGULATIONS. ADDITIONALLY THOROUGH REVIEWS WERE ALSO MADE

OF THE FOLLOWING: THE PROPOSED FEDERAL INTER-AGENCY DAY CARE GUIDELINES, THE CHILD WELFARE LEAGUE OF AMERICA STANDARDS FOR DAY CARE, RECOMMENDATIONS BY THE NATIONAL ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN AND OTHER PROFESSIONAL ORGANIZATIONS, FEDERAL STUDY FUNDINGS I.E., THE NATIONAL DAY CARE STUDY, THE HEAD START PERFORMANCE STANDARDS, GUIDANCE FROM THE CENTERS FOR DISEASE CONTROL AS WELL AS NUMEROUS OTHER SOURCES. OUR FACILITY CRITERIA WERE DERIVED FROM THE NATIONAL FIRE LIFE SAFETY CODE, OTHER NATIONALLY RECOGNIZED BUILDING CODES AND A REVIEW OF 50 PUBLIC AND PRIVATE CHILD CARE FACILITIES AND PLAYGROUNDS ACROSS THE COUNTRY CONDUCTED FOR THE ARMY BY THE UNIVERSITY OF WISCONSIN CENTER FOR ARCHITECTURAL AND URBAN PLANNING RESEARCH.

SUBJECT MATTER EXPERTS FROM WITHIN THE OFFICE OF THE ARMY SURGEON GENERAL, THE ARMY CORPS OF ENGINEERS, THE ARMY SAFETY CENTER AND ARMY CHILD CARE HEADQUARTERS STAFF FORMED A MULTIDISPLINARY WORK GROUP WHICH IDENTIFIED BROAD CATEGORIES TO SERVE AS THE FRAMEWORK FOR THE STANDARDS AND DEVELOPED SPECIFIC STANDARDS WITHIN THE CATEGORIES. ONCE THIS WAS COMPLETE WE "APPLIED THE REALITY TEST" BY SOLICITING COMMENTS FROM THOSE WHO WOULD BE DIRECTLY AFFECTED BY THE STANDARDS E.G., LOCAL CENTER DIRECTORS, HEALTH OFFICIALS, FIRE INSPECTORS, ETC. IT IS IMPORTANT TO NOTE THAT THERE ARE TWO PARALLEL SETS OF STANDARDS: ONE FOR OUR CHILD DEVELOPMENT CENTERS, THE OTHER FOR OUR FAMILY CHILD CARE HOMES. THE STANDARDS ARE COMPARABLE BUT NOT IDENTICAL. WE HAVE BEEN VERY CAREFUL TO ENSURE THAT THE FAMILY

CHILD CARE STANDARDS REFLECT HOME SETTING CONSTRAINTS AND ARE NOT INAPPPROPRIATE "CARBON COPIES" OF CENTER REQUIREMENTS.

OUR STANDARDS ARE PROBABLY MORE COMPREHENSIVE THAN ANY SINGLE STATE, BUT IN FACT THEY REPRESENT A COMPOSITE OF THAT WHICH IS CONTAINED WITHIN STATE REQUIREMENTS.

COMPOSITION OF STANDARDS

ARMY STANDARDS ENCOMPASS EIGHT COMPLIANCE AREAS: FIRE, SAFETY, DEVELOPMENTAL PROGRAMMING, CHILD ABUSE PREVENTION/RESPONSE, HEALTH, FOOD/NUTRITION, FACILITY/STRUCTURAL AND PROGRAM MANAGEMENT. THERE ARE 10-20 STANDARDS WITHIN EACH COMPLIANCE AREA WHICH ADDRESS THE MAJOR REQUIREMENTS WE FEEL ARE NECESSARY TO ENSURE THE HEALTH, SAFETY, AND WELL BEING OF THE CHILDREN IN CARE. SOME STANDARDS ARE QUITE SPECIFIC. FOR EXAMPLE, "THERE IS A BATTERY OPERATED OR HARDWIRED SMOKE DETECTOR DEVICE INSIDE THE HOUSING UNIT USED FOR FAMILY CHILD CARE." OTHERS ARE MORE GENERAL, FOR EXAMPLE, "METHODS OF PROMOTING PARENT INVOLVEMENT ARE ESTABLISHED AND IMPLEMENTED." MOST OF THE STANDARDS ARE CONSIDERED A BASELINE FOR ESTABLISHING A MINIMUM LEVEL OF PROGRAM QUALITY. HOWEVER SOME STANDARDS WERE INCLUDED TO EMPHASIZE SPECIFIC AREAS THAT WE FELT NEEDED PARTICULAR ATTENTION BY THE OVERSIGHT AUTHORITY.

RATIONALE FOR STANDARDS

STANDARDS PROVIDE A BENCHMARK BY WHICH PROGRAMS ARE EVALUATED AND MEASURED. ARMY STANDARDS HAVE BEEN DEVELOPED TO MINIMIZE THE POSSIBILITY OF INJURY, ABUSE OR NEGLECT AND TO DECREASE THE NUMBER OF SITUATIONS WHERE CHILDREN MIGHT BE AT RISK. USE OF STANDARDS PROVIDES A CONTINUITY AND CONSISTENCY TO PROGRAM IMPLEMENTATION THROUGHOUT ARMY PROGRAMS WORLDWIDE. THE ARMY'S GOAL IS TO ENSURE THAT REGARDLESS OF WHERE A SOLDIER IS SENT IN THE WORLD, THE ARMY SPONSORED CHILD CARE PROGRAM AT THAT LOCATION IS OF COMPARABLE QUALITY TO ANY OTHER ARMY PROGRAM.

STANDARDS FOCUS PROPONENT SUBJECT MATTER EXPERTS (FIRE, HEALTH, SAFETY, ENGINEERS AND EARLY CHILDHOOD EDUCATORS) ON THOSE ISSUES AND AREAS MOST CRITICAL TO SAFE, QUALITY EARLY CHILDHOOD PROGRAMS. BY DIRECTING OVERSIGHT AUTHORITIES ATTENTION TO SPECIFIC ITEMS, STANDARDS STRUCTURE THE INSPECTION PROCESS. FOR EXAMPLE, SOME OF THE REQUIREMENTS IN THE STANDARD FOR CHILD DEVELOPMENT CENTER FIRE INSPECTIONS ARE A WALK THROUGH BY A FIRE INSPECTOR TO IDENTIFY FIRE HAZARDS, HOLDING AN ACTUAL FIRE DRILL FOR ALL STAFF AND CHILDREN AND TESTING OF THE FIRE ALARM DETECTOR SYSTEM. THIS MAXIMIZES RESOURCES (BOTH PERSONNEL AND DOLLARS) BY ENSURING A CONSISTENT MEANINGFUL REVIEW IN THE TIME ALLOTTED.

WE HAVE MADE GREAT EFFORTS TO DISPEL THE MYTH THAT USE OF STANDARDS AUTOMATICALLY MEANS INCREASED COSTS AND LAYERS OF BUREAUCRACY. YES, THERE ARE INCREASED COSTS WHEN BUILDINGS DON'T MEET FIRE STANDARDS OR ROOMS SERVING INFANTS DON'T HAVE RUNNING

WATER. HOWEVER, MOST OF THE STANDARDS INVOLVE ACCOUNTABILITY FOR JOB PERFORMANCE OF EXISTING PERSONNEL--TO INCLUDE CAREGIVING STAFF, MANAGEMENT PERSONNEL AND OVERSIGHT AUTHORITIES THEMSELVES. LABOR COSTS REMAIN THE SAME WHETHER A CAREGIVER IS READING TO CHILDREN OR USING TELEVISION AS A SUBSTITUTE FOR DIRECT INVOLVEMENT WITH THE CHILDREN; CENTER DIRECTORS CAN TRAIN STAFF DURING NAPTIMES OR ALLOW THEM TO SOCIALIZE AMONG THEMSELVES. THE FIRE INSPECTOR CAN "SHOW OFF" THE ENGINE TO THE CHILDREN DURING HIS INSPECTION OR USE THAT TIME TO ACTUALLY CONDUCT A DRILL AND REPEAT IT IF NECESSARY UNTIL THE EVACUATION PROCEDURES ARE SATISFACTORY. THE ISSUE IS USUALLY NOT ENHANCEMENT OF SERVICES, BUT RATHER CONSUMER PROTECTION FOR THE PARENTS AND THE TAXPAYERS.

APPLICATION/CLARIFICATION OF STANDARDS

ONE OF OUR CONCERNS HAS BEEN SELECTIVE APPLICATION BY THE PROGRAM OPERATORS AND INCONSISTENT INTERPRETATION OF THE STANDARDS BY THE OVERSIGHT AUTHORITIES. OUR EXPERIENCE HAS BEEN THAT STANDARDS WHICH HAVE A CLEAR RATIONALE ARE MORE APT TO BE MET. STANDARDS OFTEN REQUIRE CLARIFICATION OR EXPLANATION TO ENSURE THAT THE INTENT OF THE STANDARD IS UNDERSTOOD. MULTIPLE SOURCE DOCUMENTS WHICH REFLECTED THE STANDARDS WERE NOT ALWAYS AVAILABLE AT THE PROGRAM SITE. OVERSIGHT AUTHORITIES AND PROGRAM OPERATORS ALIKE NEEDED ADDITIONAL GUIDANCE.

TO RECTIFY THE SITUATION, THE ARMY HAS COMPILED A SINGLE SOURCE CRITERIA DOCUMENT FOR ARMY CHILD DEVELOPMENT SERVICES

PROGRAMS AND FACILITIES. THIS PUBLICATION CONSOLIDATES ALL FUNCTIONAL REGULATORY REQUIREMENTS, POLICY DIRECTIVES AND CRITERIA IN THE DEFINED COMPLIANCE AREAS WHICH ARE NECESSARY TO MEET ARMY FACILITY AND PROGRAM STANDARDS. IT PROVIDES A SINGLE REFERRAL SOURCE FOR OUR STANDARDS. THE INFORMATION IS INTENDED FOR USE BY PROGRAM MANAGERS, OVERSIGHT AUTHORITIES, PARENTS COMMAND AND OTHER STAFF AT THE DEPARTMENT OF ARMY, MAJOR COMMAND AND INSTALLATION LEVELS. IN ADDITION TO CONSOLIDATING ALL APPLICABLE STANDARDS AND THE SPECIFIC REQUIREMENTS NECESSARY FOR COMPLIANCE, THE SINGLE SOURCE DOCUMENT EXPLAINS THE INTENT OF EACH STANDARD AND WHERE POSSIBLE PROVIDES ACCEPTABLE EQUIVALENCIES TO THE STANDARD. FOR EXAMPLE, A SAFETY STANDARD FOR FAMILY CHILD CARE HOMES STATES, "WINDOWS AND DOORS ARE PROTECTED TO PREVENT CLIMBING AND UNAUTHORIZED EGRESS." THIS STANDARD REQUIRES:

--WINDOWS AND DOORS LEADING TO UPPER LEVEL BALCONIES AND PORCHES BE SECURED OR LOCKED AT ALL TIMES CHILDREN ARE PRESENT.

--DOORS HAVING DIRECT OUTSIDE EGRESS NOT LEFT AJAR WITHOUT PROTECTIVE BARRIER.

--DOOR HARDWARE OPERABLE, FREE FROM DANGEROUS PROTRUSIONS AND CAPABLE OF BEING UNLOCKED FROM EITHER SIDE.

--GLASS DOORS, WALLS AND LOW WINDOWS PLAINLY MARKED AT CHILD EYE LEVEL TO AVOID ACCIDENTAL IMPACT. THE INTENT OF THE STANDARD IS TO PREVENT UNCONTROLLED ACCESS TO ELEVATED AREAS AND TO PREVENT CHILDREN FROM LOCKING THEMSELVES AWAY FROM ADULT SUPERVISION AND ASSISTANCE, PARTIC ULARLY IN CASE OF FIRE. IT IS ALSO INTENDED TO PREVENT INJURIES AND CUTS FROM SHATTERED GLASS

IN GLASSED AREAS WHICH MIGHT BE MISTAKEN FOR OPEN PASSAGES. THE STANDARD DOES NOT APPLY TO WINDOW(S) DESIGNED AS FIRE EXITS. THE STANDARD IS NOT INTENDED TO PRECLUDE LOCKS ON DOORS TO PROVIDE SECURITY FOR HAZARDOUS ITEMS OR VALUABLES. (SUCH DOORS MUST BE LOCKED AGAINST CHILD ENTRY AT ALL TIMES.) AN ALTERNATIVE EQUIVALENCY ALLOWS WINDOWS WHICH OPEN ONLY FROM THE TOP OR HAVE POSITIVE STOPS WHICH DO NOT ALLOW THE WINDOW TO BE OPENED WIDE ENOUGH TO ALLOW PASSAGE OF CHILDREN.

HAVING ALTERNATIVE EQUIVALENCIES IS IMPORTANT SINCE THEY ACCOMMODATE UNIQUE SITUATIONS AND REQUIRE LOCAL OFFICIALS TO REVIEW THE STANDARD IN VIEW OF A PARTICULAR SITUATION AND APPLY PROFESSIONAL JUDGMENT TO ENSURE THE INTENT OF THE STANDARD REMAINS FULFILLED. ALTERNATIVE EQUIVALENCIES ALLOW LOCAL SUBJECT MATTER EXPERTS TO BUY INTO THE COMPLIANCE PROCESS BY RECOMMENDING ADDITIONAL ALTERNATIVES. FINALLY, USE OF ALTERNATIVE EQUIVALENCIES RELIEVES THE FINAL OVERSIGHT AUTHORITY FROM HAVING TO GIVE WAIVERS (WHICH IMPLY ELIMINATION OF THE REQUIREMENTS) AND INSTEAD OFFERS ALTERNATIVE, BUT EQUIVALENT FORMS OF PROTECTION.

IN ADDITION STANDARDS CAN NOT BE STATIC. THEY EVOLVE AS THE STATE OF THE ART IN BOTH FACILITY CONSTRUCTION AND EARLY CHILDHOOD EDUCATION CHANGES. WE HAVE JUST FINISHED REVISING OUR STANDARDS TO REFLECT POLICY GUIDANCE AND CHANGES IN PROGRAM EMPHASIS, TO CLARIFY WORDING AND TO ACHIEVE A MORE BALANCED APPROACH AMONG COMPLIANCE AREAS. FOR EXAMPLE, WE HAVE FOUND THAT

AS OUR BUILDINGS ARE UPGRADED, WE CAN FOCUS MORE ON PROGRAM QUALITY.

QUALITY ASSURANCE/ENFORCEMENT

THE SINGLE SOURCE DOCUMENT IS INTENDED AS A MAJOR EVALUATION INSTRUMENT AND AS A FOCUS FOR TRAINING, INSPECTIONS, REPORTING AND DESIGN/CONSTRUCTION OF NEW OR RENOVATED FACILITIES. HOWEVER, JUST HAVING MEASURABLE STANDARDS IS NOT ENOUGH; THEY MUST BE ENFORCEABLE AND CANNOT EXIST IN ISOLATION. THEY MUST HAVE TEETH! THIS REQUIRES SOME FORM OF ENABLING LEGISLATION OR REGULATORY GUIDANCE. ARMY STANDARDS ARE WITHIN THE CHILD DEVELOPMENT SERVICES REGULATORY GUIDANCE WHICH IS COMPARABLE TO STATE LICENSING REQUIREMENTS AND CONTAINS PROVISIONS FOR COMPLIANCE VERIFICATION. ARMY QUALITY ASSURANCE MEASURES ARE MULTI FACETED AND OCCUR AT EVERY LEVEL FROM THE LOCAL INSTALLATION TO DEPARTMENT OF THE ARMY.

CHILD CARE PATRONS MUST BE THE FIRST PERSONS TO INSIST STANDARDS ARE IN PLACE AND ENFORCED. WE REQUIRE THAT PARENTS, HAVE FREE ACCESS TO THEIR CHILD'S ACTIVITY ROOM OR FAMILY CHILD CARE HOME AND ENCOURAGE THEM TO VISIT OFTEN AND UNANNOUNCED. OPEN AND FREQUENT COMMUNICATION BETWEEN PARENTS AND THE CHILD CARE STAFF IS ALSO NECESSARY. TO THIS END WE HAVE DEVELOPED A PARENT INVOLVEMENT BROCHURE, "CHECK US OUT," TO FACILITATE COMMUNICATION AND FEEDBACK. PARENTS CAN BE AND MUST BE THE

STRONGEST FORCE FOR ADVOCATING AND ENSURING ADHERENCE TO STANDARDS THAT PROMOTE QUALITY CARE.

WITHIN THE ARMY SYSTEM, THE LOCAL COMMANDER ENSURES COMPLIANCE WITH ARMY STANDARDS THROUGH INSPECTIONS BY INSTALLATION REGULATORY PROPONENTS INCLUDING THE FIRE MARSHAL, SAFETY OFFICE AND ENVIRONMENTAL HEALTH AND PREVENTATIVE MEDICINE AND EARLY CHILDHOOD PERSONNEL. ADDITIONALLY, AN ANNUAL INTERNAL REVIEW AND EVALUATION PROCESS WHICH INCLUDES LOCAL OVERSIGHT AUTHORITIES, PARENTS, COMMAND REPRESENTATIVES AND A CIVILIAN CHILD DEVELOPMENT PROFESSIONAL IS REQUIRED. INSTALLATIONS MUST SUBMIT AN ANNUAL REPORT TO HEADQUARTERS VERFYING COMPLIANCE STATUS WITH STANDARDS IN EACH COMPLIANCE AREA. CORRECTIVE ACTION PLANS ARE SUBMITTED IF NECESSARY.

OUR MAJOR COMMANDS WHICH ARE COMPARABLE TO STATES OR REGIONS HAVE STAFF TO PROVIDE ADDITIONAL OVERSIGHT AND ON-SITE TECHNICAL ASSISTANCE TO THE INSTALLATION PROGRAMS. THEY ARE CURRENTLY IN THE PROCESS OF CONDUCTING ON SITE COMPREHENSIVE REVIEWS WITH MULTIDISCIPLINARY TEAMS OF ALL PROGRAMS.

ADDITIONALLY, THE ARMY HAS ESTABLISHED A HEADQUARTERS CHILD CARE EVALUATION TEAM OF TECHNICAL EXPERTS TO REVIEW SELECTED PROGRAMS AND FACILITIES THROUGHOUT THE ARMY. AN ARMY CHILD CARE ACTION GROUP COMPOSED OF GENERAL OFFICERS REVIEWS ARMY CHILD CARE PROGRAMS FROM A SYSTEMIC PERSPECTIVE AND HAS THE AUTHORITY TO

TAKE DIRECT CORRECTIVE ACTION IN PROBLEM AREAS IDENTIFIED THROUGH ON SITE INSPECTIONS.

CONCLUSION

WE ARE CONVINCED STANDARDS DO IMPROVE THE QUALITY OF CARE. SURVEYS OF SOLDIERS AND THEIR SPOUSES OVER THE PAST THREE TO FOUR YEARS INDICATE INCREASED SATISFACTION WITH THE QUALITY OF CARE SINCE THE STANDARDS HAVE BEEN IN EFFECT. WHERE DISSATISFACTION IS REGISTERED, IT IS USUALLY IN THE AVAILABILITY AND COST OF CHILD CARE.

WE HAVE TRIED TO TAKE A COMMON SENSE APPROACH TO OUR STANDARDS BOTH IN WHAT WE REQUIRE AND IN OUR PROVISIONS FOR COMPLIANCE. AS WE INSPECT WE DO FIND NONCOMPLIANCE. THIS IS NOT UNUSUAL, BUT WHAT IS SURPRISING IS THAT THE NONCOMPLIANCE IS USUALLY NOT OBSCURE OR ESOTERIC. RATHER WE FIND HAZARDOUS CLEANING SUPPLIES ACCESSIBLE TO CHILDREN, ELECTRICAL OUTLETS WHICH ARE NOT CHILD PROOF, AND INDADQUATE HANDWASHING AND SANITARY PROCEDURES. THESE FINDINGS HAVE CONVINCED US OF THE NECESSITY TO DISTINGUISH BETWEEN TRAINING AND ENFORCEMENT, AND THE IMPORTANCE OF FOLLOWING UP TO ENSURE COMPLIANCE. THE FINDINGS ALSO POINT TO A CONTINUING NEED TO INSTITUTIONALIZE OUR TRAINING PROGRAMS AND ENSURE THAT WE TRAIN OUR STAFFS TO STANDARDS.

HOWEVER, TO ENFORCE STANDARDS, INDEED IN ORDER TO WRITE STANDARDS CAPABLE OF BEING ENFORCED, WE KNOW WE MUST DETERMINE WHETHER THE STANDARD IS NECESSARY, ATTAINABLE, AND MEASURABLE. STANDARDS NOT MEETING THOSE CRITERIA WILL NOT HAVE THE DESIRED EFFECT.

THE USE OF STANDARDS TO ATTAIN QUALITY CHILD CARE DOES NOT MEAN CARE IS IMPROVED "OVERNIGHT"--IT IS AN EVOLUTIONARY PROCESS. YET, AS ARMY OVERSIGHT AUTHORITIES, CARE PROVIDERS, AND PARENTS INTERNALIZE A STANDARD, WE SEE IT BECOMING INSTITUTIONALIZED--IN OTHER WORDS, IT BECOMES "A WAY OF DOING BUSINESS" BECAUSE STAFF AND OTHER FUNCTIONAL EXPERTS HAVE A COMMON UNDERSTANDING OF THE IMPORTANCE AND INTENT OF OUR STANDARDS. AS AN EXAMPLE, PRIOR TO THE IMPLEMENTATION OF ARMY CHILD CARE STANDARDS, MOST CHILD DEVELOPMENT CENTERS IN THE ARMY DID NOT ALLOW PARENTS BEYOND THE RECEPTION AREA. CHILDREN WERE QUITE LITERALLY "DROPPED OFF" AND "PICKED UP" AT THE FRONT DESK. WHEN WE FIRST REQUIRED AN OPEN DOOR/FREE ACCESS POLICY FOR PARENTS IN EVERY CENTER, THIS WAS A CONTROVERSIAL STANDARD AND WAS THREATENING TO SOME OF THE PROGRAMS. IN RETROSPECT, WE CAN SEE THAT THOSE WHO PROTESTED MOST LOUDLY WERE USUALLY THE ONES THAT NEEDED TO IMPROVE THEIR PROGRAMS. NOW, SEVERAL YEARS LATER, IT SEEMS UNBELIEVABLE THAT THIS POLICY WAS NOT ALWAYS IN PLACE. PARENTS AND STAFF ALIKE NOW EXPECT AND ACCEPT THE STANDARD. THE TABLES ARE TURNED. . . IF IT ISN'T IN PLACE, THAT'S WHAT'S CONTROVERSIAL!

OUR BOTTOM LINE IS TO DEVELOP GOOD AND REASONABLE PROGRAM AND FACILITY STANDARDS, TRAIN MANAGEMENT, STAFF AND OVERSIGHT AUTHORITIES TO THESE STANDARDS AND BRING ABOUT CONSISTENT AND PROPER ENFORCEMENT OF THE STANDARDS.

WE HAVE A SAYING IN THE ARMY, WE "RECRUIT THE SOLDIER, BUT WE RETAIN THE FAMILY." CRITICAL REENLISTMENT WINDOWS COINCIDE WITH SOLDIERS' MAJOR CHILD REARING YEARS WHEN CHILD CARE IS NEEDED MOST. CHILD CARE IS ONE OF THE SERVICES WE CAN PROVIDE TO THE SOLDIER THAT WILL MAKE A REAL AND TANGIBLE IMPACT ON HIS FAMILY'S DAY TO DAY WELL BEING. QUALITY CHILD CARE BASED ON ENFORCABLE STANDARDS IS A VISIBLE COMMITMENT THE ARMY IS MAKING TO SOLDIERS SO THEY CAN KNOW UNEQUIVICALLY THAT THEIR CHILDREN ARE WELL CARED FOR WHILE THEY ARE PREPARING TO DEFEND OUR COUNTRY.

Senator DODD. Thank you.

Again, anyone who is sitting in the room here can really appreciate the tremendous effort that has gone into that, and we will have some questions for you shortly, but thank you very much for being here.

Mr. Nielsen, you were here at 9:30 this morning, bright and early.

Mr. NIELSEN. Yes, bright and early.

Mr. Chairman, my name is Arthur Nielsen, Senior Vice President, Underwriting Division of the Property and Casualty Group of the CIGNA Corporation.

I am responsible for both the underwriting and loss control operations within the property/casualty group.

It is a pleasure for me to appear before you and your colleagues this afternoon.

By way of background, CIGNA Corporation, with assets of more than $53 billion, is a leading provider of insurance and related financial services throughout the United States and international markets. Through its operating subsidiaries, CIGNA emphasizes service to commercial customers for property and casualty insurance, employee benefits such as group insurance and health care, and asset management for pension and other employee benefit plans.

Mr. Chairman, you asked us to comment on those provisions of the Act for Better Child Care Services which would establish minimum national health and safety standards for both center-based and family child care providers. We have considerable experience with providing liability coverage for commercial child care facilities which we define as providers who manage 10 or more children at a given time. Before I focus on the particulars of your legislation, I would like to explain our current involvement in the commercial day care center market.

First, in conjunction with the National Association for the Education of Young Children, known as NAEYC, we provide to its members a range of property and liability insurance protection as well as student accident medical group insurance to participating day care centers. In order to quality for CIGNA's insurance package, day care centers which are members of NAEYC must meet CIGNA's underwriting standards and comply with our loss control programs identified for State or national safety groups, and especially daycare centers participating in the NAEYC center accreditation program.

Eligibility criteria include Government licensure, suitable physical plant, acceptable ratios of staff to children, appropriate staff training, adequate fire safety protection, and emergency procedures/evacuation plans. A detailed accreditation criteria and procedures manual is provided by the NAEYC to its members. Our program also includes the writing of commercial daycare centers that are not members of NAEYC that meet our underwriting criteria.

Since the first full year of operation, the number of participating centers has grown from 1589 in 1985 to 2,723 in 1988. We believe this growth strongly suggests that our program with its eligibility and safety standards has helped make coverage available at reasonable rates.

The newly-emerging group home child care market serving between four to ten children is one, however, where insurance coverage is not broadly available. These numbers do not fit readily into the traditional distinctions that demarcate personal lines markets from commercial markets.

Market assistance plans, or MAPs, have been devised in such States as New York, California and New Hampshire to deal with the problems of affordability and availability in those jurisdictions. CIGNA is a participant in those programs. MAPS have been fairly successful in improving the situation in those States.

Mr. Chairman, there is no question that requiring adequate standards for child care is a key issue in providing insurance for child care centers. Certain States are more aware of the problem than in the past and have passed laws which define standards for staffing, safety and related matters.

Some are quite good with proper enforcement. In others, unfortunately, laws are nonexistent. In some instances, there may be good requirements for the liability aspects for facilities involving more than three children, including enforcement, but the physical building safety requirements are somewhat weak.

Standards is a complex issue that needs to be addressed by looking at all aspects—physical surroundings, food service, educational training of supervisors, and transportation services.

It appears that the States are gradually addressing these issues. We have shared our standards for commercial centers with numerous insurance departments and daycare associations to assist in their analysis.

Against that backdrop, let me now comment specifically on that section of your legislation which calls for the establishment of a National Advisory Committee on Child Care Standards and the factors that body would consider in promulgating such national minimum standards.

Whenever Congress considers mandating any level of minimum national standards of conduct, there always are the threshold debates surrounding the appropriateness of such standards and whether they should be imposed at the Federal or the State level.

In regard to child care standards, Mr. Chairman, we support your premise that Federal minimum standards are required as a matter of national health and safety policy.

With respect to the composition of the committee, we applaud your recognition for the multiplicity of groups which have a valid stake in these decisions, and we believe you have provided an appropriate role for all of them on the committee. You also have identified correctly the three distinct types of settings in which child care services currently are being delivered. Each poses somewhat different challenges. Health and safety standards for both center-based and family child care providers must encompass critical issues such as child-staff ratios, group size, provider qualifications, training, building, and fire safety.

Mr. Chairman, it has been our experience that the establishment of and adherence to sound, understandable, and enforceable risk selection standards and safety features are essential elements that enable us to offer adequate insurance coverage at fair and reasonable prices to daycare centers throughout the country. Your legislation recognizes these features, and therefore provides an appropriate framework upon which to develop a national minimum standards program that will encourage not only improved safety and security, but also provide for a broadened interest by insurance providers.

I appreciate the opportunity to speak to you today.

Senator DODD. Thank you very much, Mr. Nielsen. I appreciate it.

[The prepared statement of Mr. Nielsen follows:]

Statement by Arthur R. Nielsen
Senior Vice President, Underwriting
Property and Casualty Group
CIGNA Corporation
before the
Subcommittee on Children, Family,
Drugs and Alcoholism
Senate Committee on Labor and Human Resources
on the
Act for Better Child Care Services
Tuesday, January 24, 1989

Mr. Chairman, my name is Arthur R. Nielsen, Senior Vice President of the Property and Casualty Group of the CIGNA Corporation. I am responsible for both the underwriting and loss control operations within the property/casualty group. It is a pleasure for me to appear before you and your colleagues this morning.

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First, in conjunction with the National Association for the Education of Young Children (NAEYC), we provide to its members a range of property and liability insurance protection as well as student accident medical group insurance to participating day care centers. In order to qualify for CIGNA's insurance package, day care centers which are members of NAEYC must meet CIGNA's underwriting standards and comply with our loss control programs identified for state and/or national safety groups and especially day care centers participating in the NAEYC center accreditation program. Eligibility criteria include government licensure, suitable physical plant, acceptable ratios of staff to children, appropriate staff training, adequate fire safety protection, and emergency procedures/evacuation plans. A detailed accreditation criteria and procedures manual is provided by the NAEYC to its members. Our program also includes the writing of commercial day care centers that are not members of NAEYC that meet our underwriting criteria.

Since the first full year of operation, the number of participating centers has grown from 589 in 1985 to 2723 in 1988. We believe this growth strongly suggests that our program with its eligibility safety standards has helped make coverage available at reasonable rates.

As I mentioned earlier, our involvement with day care centers is limited to commercial operations which offer center based child care. It is my understanding that insurers who serve primarily the personal lines markets such as individual auto and homeowners, however, provide insurance protection to many smaller family child care facilities offering care to no more than three children. This coverage is offered by means of an endorsement to the homeowner's policy at an average increase in cost of $10-75 per year per child for coverage up to $300,000. Generally speaking, this market segment has not experienced the affordability and availability problems that have generated widespread public attention.

The newly emerging group home child care market serving between four-ten children is one, however, where insurance coverage is not broadly available. These numbers do not fit readily into the traditional distinctions that demarcate personal lines markets from commercial markets. Market assistance plans (MAPS) have been devised in such states as New York, California, and New Hampshire to deal with the problems of affordability and availability in those jurisdictions. CIGNA is a participant in those programs. MAPs have been fairly successful in improving the situation in those states.

Mr. Chairman, there is no question that requiring adequate standards for child care is a key issue in providing insurance for child care centers. Certain states are more aware of the problem than in the past and have passed laws which define standards for staffing, safety, and related matters. Some are quite good with proper enforcement. In others, unfortunately, laws are non existent. In some instances there may be good requirements for the liability aspects for facilities involving more than three children, including enforcement, but the physical building safety requirements are somewhat weak. Standards is a complex issue that needs to be addressed by looking at all aspects--physical surroundings, food service, educational training of supervisors, and transportation services. It appears that the states are gradually addressing these issues. We have shared our standards for commercial centers with numerous insurance departments and day care associations to assist in their analysis.

Against that backdrop of current marketplace activities, let me comment specifically on that section of your legislation which calls for the establishment of a National Advisory Committee on Child Care Standards and the factors that body would consider in promulgating such national minimum standards. Whenever Congress considers mandating any level of minimum national standards of conduct, there always are the threshold debates surrounding the appropriateness of such standards and whether they should be imposed at the federal or the state level. In regard to child care standards, Mr. Chairman, we support your premise that federal minimum standards are required as a matter of national health and safety policy.

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Mr. Chairman, it has been our experience that the establishment of and adherence to sound, understandable, and enforceable risk selection standards and safety features are essential elements that enable us to offer adequate insurance coverage at fair and reasonable prices to day care centers throughout the country. Your legislation recognizes these features and, therefore, provides an appropriate framework upon which to develop a national minimum standards program that will encourage not only improved safety and security, but also provide for a broadened interest by insurance providers.

I very much appreciate the opportunity to testify and I will be pleased to respond to any questions.

3556H

Senator DODD. Gary, I normally have a prize for the last witness. I do not have one for you today, but we really do thank you for coming—and I understand, coming on relatively short notice, too. We appreciate your willingness to do that.

Mr. BAUER. Thank you, Mr. Chairman.

I appreciate the opportunity to be here, even if I am the last witness.

I would like to congratulate you and the committee for the hearings. I think you performed a valuable service today in helping share with the American people the kind of horror stories that we heard earlier today.

I think it is important for American families to have that kind of information before they make judgments about the kind of care they are going to pick for their children.

If there is any good news in all of this, I would say that it would be that you could probably find a political consensus among conservatives and liberals that if there is going to be Federal financing of daycare centers, that it certainly would be legitimate to take a look at the question of whether child care abuse in those centers ought to be made a Federal crime; whether there ought to be a Federal requirement for criminal checks or drug testing of those who work in those centers. So I think there are some of these issues that you could probably find some consensus on.

I think the bad news is that perhaps we did not go far enough in the hearing. And that is that although these horror stories happen, they are obviously rare. They do not happen with great frequency, thank God, but there is some evidence that there is other type of damage that does take place in child care centers, and that damage, at least some research would indicate, happens much more frequently.

I would like to submit for the record some of the studies we have reviewed in the last couple months. Let me just mention a couple of them.

A study done in Chicago examined 110 children who had been placed in daycare centers early in their lives, the research showed that those children were much less likely to have secure relationships with their mothers.

Another study, a follow-up study of children slightly older, shows that those placed in nonparental care tend to exhibit more serious aggression, less cooperation, less patience, more misbehavior, and a pattern of social conflict or withdrawal.

A study done of children at a leading university, one of the finest daycare programs we know of, shows that those children are more likely to hit, push, kick, threaten, swear and argue than children who were not in daycare or who started later in daycare.

A Dallas study showed that children who had spent extensive time in daycare were more uncooperative, less popular, had lower grades, poorer study skills, and less self-esteem.

Now, I think these are interesting, because 15 years ago the research was almost unanimous that daycare was okay. Now there is an increasing amount of research that raises serious questions, and it leads people like Dr. Benjamin Spock, Yuri Broffenbrenner, Burton White of Harvard, to question whether children should ever be placed in the very early months and early years of their lives in this kind of a setting.

I think at the very least, this kind of research needs to be shared with the American people, and that your committee could provide a valuable service in doing that; and that, at the very least, it ought to give us pause in our uncritical plunge toward more hiring out of the child care task.

The frustrating news about all this, Mr. Chairman, is that in spite of your good intentions with the regulations you have proposed, I do not see a lot of evidence that the regulations will do much about either of the problems that I just talked about—the kind of horror stories that were just talked about earlier are very difficult to control, and in fact, some research just done at the University of New Hampshire indicates that there is no difference in abuse incidents between licensed daycare centers and unlicensed home-based daycare.

In addition to that, the kinds of problems that I just mentioned do not lend themselves to a regulatory approach; they basically revolve around what happens when we take children at a very early age away from their parents.

The second issue I would like to raise is one that you brought up earlier, even before I had a chance to deliver my testimony. And that is the whole problem of unintended consequences.

Mr. Chairman, as you know, I just spent the last eight years working in Government. And I think the one lesson I learned above all else is that so much of what we do in Washington has good intentions, but ends up having unintended consequences. I think there is a philosophical consensus now, for example, that the anti-poverty efforts of the Sixties and Seventies, obviously well-intentioned, unintentionally may have resulted in encouraging behavior that increased dependency rather than helped people break the chain of dependency.

And in this area of daycare regulation, I think again we may be running the risk of unintended consequences. I speak here, as has been referenced several times, to the preference by many parents of all income levels for home care, home-based care, family-based care.

The research shows that particularly among minority families and inner-city families that there is a preference for that kind of care with young children, not because that is the only thing they can afford; the research says in a perfect world, assuming you could afford anything, what kind of care would you like—and when you ask particularly minority and inner-city parents that question, they will say home-based or family-based care.

I think there is every reason to believe that the kind of regulation we are talking about will unintentionally drive out of business many of those that inner-city residents rely on—friends, neighbors, extended family members, often uneducated. Perhaps their homes would not meet licensing requirements, but they are chosen because parents feel that those individuals will give the kind of love that may substitute for parental care.

The final point I would make, Mr. Chairman, is a fairness point, and that is why the Family Research Council is more inclined to support a tax credit approach rather than some of the other approaches that have been discussed.

Significant numbers of American families choose—choose—to have a lower standard of living so that one of them, the husband or the wife, can stay home and care and nurture their own children. In fact, there are still over 50 percent of families with school children below school age who are cared for in that kind of setting.

I know folks like this in my own neighborhood. The car in the driveway is a couple years older; the vacations are not quite as long. But those families have made a judgment that they would rather forego the extra income so that they could care for their children at least in those early years.

It seems to me that there is a patently unfair question here about taxing those families when their median income is around $25,000, to subsidize the daycare cost of two-earner families whose median income is $38,000 a year.

I would think that there would be a good public policy purpose served by helping those families pay their bills, whether it is a $1,000 tax credit, a $2,000 tax credit, whatever we can afford, because those families who make that choice are doing something very commendable for our culture and our society, and it is not something that ought to be penalized.

I will stop there and submit my statement for the record and be happy to answer any questions.

[The prepared statement of Mr. Bauer follows:]

Family Research Council
of America, Inc.

TESTIMONY OF GARY L. BAUER

Before the
Senate Subcommittee on
Children, Families, Alcohol & Drugs

January 24, 1989

MR. CHAIRMAN, I WANT TO COMMEND YOU FOR HOLDING THIS HEARING ON CHILD CARE STANDARDS, AND I WANT TO EXPRESS TO YOU MY APPRECIATION FOR THE OPPORTUNITY TO PARTICIPATE IN THIS DISCUSSION.

THIS MORNING WE HAVE HEARD SOME VERY ALARMING HORROR STORIES ABOUT THE NEGLECT AND MISTREATMENT OF CHILDREN IN SUBSTITUTE CARE ARRANGEMENTS.

AS THE FATHER OF THREE YOUNG CHILDREN WHO FROM TIME TO TIME UTILIZES SUBSTITUTE CARE, I GREATLY SYMPATHIZE WITH THE FAMILIES OF THESE VICTIMS AND KNOW THAT THE INDIGNATION AND HURT THEY FEEL IS VERY REAL. THERE IS PERHAPS NO GREATER PAIN THAN TO SEE A LOVED ONE -- PARTICULARLY A VULNERABLE LOVED ONE -- ABUSED.

MR. CHAIRMAN, WHENEVER THERE IS A TRAGEDY OF THIS SORT, THERE IS A NATURAL TENDENCY TO WANT TO TAKE SOME DRAMATIC ACTION -- LIKE IMPOSING NEW REGULATIONS -- THAT WILL GUARANTEE THAT SUCH INCIDENTS NEVER TAKE PLACE AGAIN. REGRETTABLY, WE LIVE IN A WORLD THAT DOES NOT OFFER SUCH GUARANTEES.

HOWEVER MUCH WE MAY ALL WISH THAT CHILD ABUSE IN DAY CARE SETTINGS COULD BE SIGNIFICANTLY REDUCED OR ELIMINATED BY MORE GOVERNMENT REGULATIONS, THE SAD TRUTH IS THAT SOME OF THE MOST NOTORIOUS INCIDENTS OF CHILD ABUSE IN DAY CARE SETTINGS -- SUCH AS THE MCMARTIN PRESCHOOL CASE IN MANHATTEN BEACH, CALIFORNIA, THE CRAIG'S COUNTRY PRESCHOOL CASE IN ELLICOTT CITY, MARYLAND, AND THE A & T DAY CARE CASE IN DORCHESTER, MASSACHUSETTS -- HAVE TAKEN PLACE IN FULLY LICENSED CENTERS OPERATING IN STATES WITH VERY STRINGENT GOVERNMENT REGULATIONS.

MOREOVER, A RECENT STUDY BY UNIVERSITY OF NEW HAMPSHIRE RESEARCHER DAVID FINKELHOR FOUND THAT CHILDREN IN LICENSED DAY CARE CENTERS ARE NO LESS LIKELY TO BE THE VICTIMS OF CHILD ABUSE THAN CHILDREN IN UNLICENSED HOME-BASED DAY CARE. IN ADDITION, FINKELHOR FOUND NO EVIDENCE THAT DEMANDING HIGHER TEACHER CREDENTIALS CURBS THE PREVALENCE OF CHILD ABUSE IN DAY CARE SETTINGS.

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OF COURSE, SOME PROPONENTS OF LICENSING AND TRAINING REQUIREMENTS ARGUE THAT APART FROM REDUCING CHILD ABUSE, THESE REGULATIONS WILL RAISE THE QUALITY OF CARE IN DAY CARE FACILITIES. BUT THIS IS NOT NECESSARILY TRUE. SURVEYS OF PARENTS THAT UTILIZE SUBSTITUTE CARE REPEATEDLY SHOW THAT PARENTS BELIEVE THE NURTURING ABILITY OF THE CAREGIVER IS MUCH MORE IMPORTANT THAN THE CAREGIVER'S LICENSING STATUS OR PROFESSIONAL CREDENTIALS. THIS HELPS EXPLAIN WHY MANY OF THE MOST AFFLUENT PARENTS IN THIS COUNTRY (WHO CAN AFFORD THE BEST CHILD CARE MONEY CAN BUY) CHOOSE UNLICENSED NANNIES TO CARE FOR THEIR YOUNG CHILDREN.

AND IT HELPS REINFORCE THE IMPORTANCE OF INSURING THAT THE PRIMARY "REGULATORS" OF DAY CARE IN THIS COUNTRY ARE PARENTS--NOT GOVERNMENT AGENCIES. FOR AS CHILD CARE ANALYST DAVID KELLEY HAS OBSERVED, "DAY CARE IS A SERVICE, PARENTING FOR PAY, THAT MOTHERS AND FATHERS ARE UNIQUELY QUALIFIED TO JUDGE FOR THEMSELVES."

NOT ONLY WOULD NEW FEDERAL REGULATIONS FAIL TO IMPROVE THE QUALITY OF CHILD CARE IN THIS COUNTRY, BUT THEY WOULD ALSO MAKE DAY CARE LESS AFFORDABLE AND AVAILABLE. THIS IS A MATTER OF SIMPLE ECONOMICS: THE MORE GOVERNMENT PAPERWORK AND RED TAPE, THE GREATER THE COST OF OPERATING A DAY CARE PROGRAM. THE GREATER THE COST OF RUNNING A PROGRAM, THE HARDER IT IS FOR PROSPECTIVE OPERATORS TO OPEN CENTERS AND THE MORE DIFFICULT IT IS FOR THOSE ALREADY OPERATING CENTERS TO STAY IN BUSINESS. THE SMALLER THE SUPPLY OF SUBSTITUTE CARE ARRANGEMENTS, THE HIGHER THE COST OF CARE. THUS, IMPOSING NEW FEDERAL REGULATIONS IS TOTALLY INCONSISTENT WITH THE TWIN GOALS OF MAKING DAY CARE MORE AFFORDABLE AND AVAILABLE IN THIS COUNTRY.

IN FACT, A RECENT STUDY BY CHILD CARE REVIEW MAGAZINE FOUND THAT THE IMPOSITION OF FEDERAL STANDARDS IN THE ACT FOR BETTER CHILD CARE WOULD COST PARENTS NEARLY $1.2 BILLION IN INCREASED TUITION PAYMENTS AND DISPLACE MORE THAN 786,000 CHILDREN NOW IN LICENSED FACILITIES.

THE STUDY FOUND THAT THE ECONOMIC IMPACT WOULD BE GREATEST ON PARENTS IN THE SOUTH, WHERE CHILDREN ARE MORE LIKELY TO BE CARED FOR IN LICENSED CENTERS.

THUS, EFFORTS TO IMPROVE THE QUALITY OF DAY CARE THROUGH MORE REGULATION WILL ACTUALLY RESULT IN A REDUCTION IN THE NUMBER OF CHILDREN IN LICENSED DAY CARE.

A CALL FOR STANDARDS

WHILE I DO NOT SUPPORT FEDERAL INTERVENTION IN THE REGULATION OF DAY CARE, THE FEDERAL GOVERNMENT SHOULD HAVE A CHILD CARE POLICY AND THIS POLICY SHOULD BE BASED ON THE FOLLOWING THREE "STANDARDS."

(1) THE BEST INTERESTS OF THE CHILD CARE STANDARD. IT SHOULD GO WITHOUT SAYING THAT FEDERAL CHILD CARE POLICY SHOULD SEEK TO PROMOTE THE BEST INTERESTS OF CHILDREN. YET, SADLY, MANY PROPOSALS WHICH ARE DESIGNED TO HELP PARENTS RESOLVE TENSION BETWEEN WORK AND FAMILY PLACE A HIGHER PREMIUM ON ENABLING ADULTS TO WORK THAN ON ENCOURAGING THEM TO PARENT.

WHATEVER ONE MAKES OF THE GROWING BODY OF RESEARCH ON THE NEGATIVE EFFECTS OF GROUP CARE ON CHILDREN, ONLY A FOOL WOULD DENY THAT SIGNIFICANT AMOUNTS OF PARENT-CHILD INTERACTION ARE CENTRAL TO A CHILD'S HEALTHY DEVELOPMENT. ACCORDINGLY, THE BEST GAUGE FOR EVALUATING ANY CHILD CARE PROPOSAL IS THE DEGREE TO WHICH IT ENCOURAGES AND FACILITATES PARENT-CHILD INTERACTION.

(2) THE LEVEL PLAYING FIELD STANDARD. GIVEN THE IMPORTANCE OF PARENT-CHILD INTERACTION, IT STANDS TO REASON THAT FEDERAL POLICY SHOULD IN NO WAY PENALIZE PARENTS THAT CARE FOR THEIR OWN CHILDREN. YET, PERVERSELY, THIS IS PRECISELY WHAT THE CURRENT CHILD CARE TAX CREDIT AND A NUMBER OF DAY CARE PROPOSALS DO. UNDER THESE PROGRAMS, FAMILIES ARE DENIED FEDERAL BENEFITS (WHETHER IT BE THROUGH INCOME TAX DEDUCTIONS OR THROUGH GOVERNMENT SPENDING PROGRAMS) UNLESS THEY PLACE THEIR CHILDREN IN THE CARE OF A NON-FAMILY MEMBER. IN ESSENCE, THE TAXES PAID BY FAMILIES THAT CARE FOR THEIR OWN CHILDREN SUBSIDIZE THE DAY CARE EXPENSES OF OTHER, OFTEN WEALTHIER, FAMILIES.

PART OF THE REASON FOR THIS DISCRIMINATION IS THE GROWING PERCEPTION THAT MOST PRESCHOOL CHILDREN IN AMERICA TODAY ARE PRIMARILY CARED FOR BY A NON-FAMILY MEMBER -- A PERCEPTION WHICH IS PATENTLY UNTRUE.

ACCORDING TO THE MOST RECENT SURVEY OF CHILD CARE ARRANGEMENTS BY THE CENSUS BUREAU, 54 PERCENT OF THE NEARLY 18 MILLION CHILDREN UNDER THE AGE OF FIVE ARE PRIMARILY CARED FOR BY A MOTHER WHO STAYS HOME WITH HER CHILDREN. IN ADDITION, SEVEN PERCENT HAVE "TAG-TEAM PARENTS" WHO WORK DIFFERENT SHIFTS AND SHARE CHILD-REARING RESPONSIBILITIES. AND FOUR PERCENT HAVE "DOUBLETIME MOTHERS" WHO CARE FOR THEIR CHILD WHILE THEY BABYSIT OTHER CHILDREN OR EARN INCOME IN SOME OTHER WAY.

THUS, THE PRIMARY CHILD CARE ARRANGEMENT FOR 65 PERCENT OF ALL PRESCHOOL CHILDREN IS CARE BY ONE OR BOTH PARENTS. WHEN THE 11 PERCENT PRIMARILY CARED FOR BY A GRANDMOTHER OR OTHER RELATIVES ARE ADDED IN, A WHOPPING *THREE-FOURTHS* OF ALL CHILDREN UNDER THE AGE OF FIVE ARE PRIMARILY CARED FOR BY ONE OR MORE FAMILY MEMBERS.

SIGNIFICANTLY, SURVEYS OF EMPLOYED PARENTS SHOW A STRONG PREFERENCE FOR PARENTAL CARE. IN A RECENT STUDY BY MARK CLEMENTS RESEARCH, INC. FOR *GLAMOUR* MAGAZINE, 84 PERCENT OF MOTHERS EMPLOYED FULL OR PART-TIME AGREED WITH THE STATEMENT, "IF I COULD AFFORD IT, I WOULD RATHER BE AT HOME WITH MY CHILDREN." AND ANOTHER RECENT SURVEY OF PARENTS UTILIZING SOME FORM OF SUBSTITUTE CARE ARRANGEMENT FOUND THAT THE GREATEST SOURCE OF PARENTAL FRUSTRATION ABOUT DAY CARE WAS *NOT* THE LACK OF QUALITY, AVAILABILITY, OR AFFORDABILITY. INSTEAD, THE GREATEST SOURCE OF FRUSTRATION ABOUT DAY CARE WAS THAT PARENTS FELT THEY WERE MISSING OUT ON SIGNIFICANT EVENTS IN THEIR CHILDREN'S LIVES.

GIVEN THE FACT THAT MANY PARENTS TODAY ARE CHOOSING TO CARE FOR THEIR OWN CHILDREN (OFTEN AT A CONSIDERABLE FINANCIAL SACRIFICE) AND THAT SOME PARENTS WHO CURRENTLY UTILIZE SUBSTITUTE CARE WOULD LIKE TO HAVE THE OPPORTUNITY TO SPEND MORE TIME WITH THEIR CHILDREN, FEDERAL POLICY SHOULD IN NO WAY PENALIZE (THROUGH HIGHER RELATIVE TAXES) FAMILIES THAT CARE FOR THEIR OWN CHILDREN. THUS, RATHER THAN FAVORING FAMILIES THAT DO NOT CARE FOR THEIR OWN CHILDREN OVER THOSE THAT DO, FEDERAL POLICY SHOULD OFFER FAMILIES A LEVEL PLAYING FIELD ON WHICH THEY CAN FREELY CHOOSE WHETHER OR NOT TO CARE FOR THEIR OWN CHILDREN.

(3) *THE FREEDOM OF CHOICE STANDARD*. THE FREEDOM OF CHOICE STANDARD IS VERY SIMILAR TO THE LEVEL PLAYING FIELD STANDARD. JUST AS THERE SHOULD BE NO PENALTIES FOR CHOOSING TO CARE FOR ONE'S OWN CHILDREN, FAMILIES THAT CHOOSE TO UTILIZE SUBSTITUTE CARE SHOULD BE ABLE TO SELECT THEIR OWN CHILD CARE ARRANGEMENT FREE OF ANY GOVERNMENT INCENTIVES OR PENALTIES. IN OTHER WORDS, GOVERNMENT ASSISTANCE SHOULD NOT FAVOR FORMAL LICENSED DAY CARE PROGRAMS OVER INFORMAL UNLICENSED DAY CARE ARRANGEMENTS.

ACCORDINGLY, THE BEST WAY TO PROMOTE PARENTAL CHOICE IS BY OFFERING CHILD CARE BENEFITS DIRECTLY TO PARENTS RATHER THAN EXTENDING ASSISTANCE TO DAY CARE PROVIDERS. THIS APPROACH ALLOWS PARENTS -- NOT GOVERNMENT BUREAUCRATS -- TO DETERMINE WHICH PROVIDERS ARE SUBSIDIZED AND, MORE IMPORTANTLY, HOW CHILDREN ARE CARED FOR.

SEVERAL LEGISLATIVE PROPOSALS FROM THE 100TH CONGRESS MET THESE THREE STANDARDS. UNIVERSAL TAX CREDIT BILLS OFFERED BY CONGRESSMAN CLYDE HOLLOWAY, SENATOR PETE DOMINICI, CONGRESSMAN DICK SCHULZE, AND SENATOR MALCOLM WALLOP ALL MET THESE STANDARDS FOR FEDERAL CHILD CARE POLICY. MOREOVER, THE $1,000 CHILD CARE TAX CREDIT OFFERED BY GEORGE BUSH IN THE PRESIDENTIAL CAMPAIGN LARGELY EMBRACED THESE PRINCIPLES. WHILE SOME OF THESE PROPOSALS

COULD HAVE DONE MORE TO REDUCE THE TAX BURDEN ON AMERICA'S FAMILIES WITH CHILDREN, THESE TAX CREDIT PROPOSALS SHOULD SERVE AS THE MODEL FOR CHILD CARE POLICY IN THE 101ST CONGRESS.

MR. CHAIRMAN, THANK YOU AGAIN FOR THE OPPORTUNITY TO TESTIFY. I WOULD BE HAPPY TO ADDRESS ANY QUESTIONS YOUR COMMITTEE MIGHT HAVE.

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Senator **Dodd**. Thank you very much for your comments, Gary. Again, we appreciate your being with us.

Let me go back and raise a couple of questions for all of you, who have been so patient in staying around.

Larry, let me come right in on the heels of Gary Bauer's comments. It was not intentional that I seated you at opposite ends of the table, but it has worked out in a way that you represent sort of polar views.

First of all, I would find your statements, Gary, about the less than desirable child care situation breeding some of the problems we have talked about. As I said at the press conference here this morning, when we announced the reintroduction of the bill, I clearly come down on the side of the camp that there is no better child care than parental care; that is the best. And I have concerns as well about the institutionalization. If I could only figure out a way in which you could get rid of the problem that you have two out of every three women in the work force today, where they are either the sole provider, or have husbands who earn less than $15,000 a year—and those statistics, unfortunately, seem to be going up rather than going down. I would be delighted to try and fashion something that would reverse that cycle or tide. But I do not see anything on the horizon that indicates that—in fact, quite the contrary.

So I do not question your concerns about it, but I find, at the same time, there seems to be a growing body of evidence that to the extent you can improve ratios between teachers or providers and the number of people, and the kind of education they have to some degree, at least you reduce—or should reduce, I would hope—the very kind of thing you have described that shows up in these studies—which we will be glad to accept and include as part of the record—where you have either aggressiveness or the kind of behavior you have described. I do not know if there is any relationship between that and the absence of standards, ratios, and the like; so that you are getting children who have virtually no supervision except a television set and some warmed-over meal in front of them, while their parents are at work. And to the extent you are apt to get some of that kind of care, do you reduce that? If you agree that it is probably unlikely we are going to reach the ideal—which is going back home with a parent who does make that choice. And I certainly applaud the family that makes that choice; I think if they are willing to make those sacrifices, they ought to be applauded for doing so, and hopefully, we will have some sort of a tax credit feature here that will encourage that. I am a little concerned about where it is, because I am not sure you get that encouragement at the economic level we are talking about in the President's proposal or something like that. But nonetheless I would like to see that done.

But I come back to you, Doctor, having stated all of that, and wonder if you might just respond as to where you agree with Gary Bauer and where you disagree, and why.

Dr. **Schweinhart**. I think the most obvious issue is the interpretation of the evidence that he cited. With respect to the testimony that I gave, it could be seen as incorporating that evidence. If you take the evidence as being based largely on situations where there is a lack of clarity about the quality of care, and presumably lower quality of care than in situations that are carefully monitored, such as the Perry Preschool Program, it may well be that a poor program is what is leading to the results.

I guess where we may differ, or where the question comes up whether we differ, is on whether or not those situations can be changed for the better or not. As he was talking, it seems to me the assumption is that this is the way these programs are and have to be. And I think the difference is, and the approach I am taking, is that these programs are this way, but they do not have to be this way, and that in fact we can do things to make them better.

I would cite as kind of a central reference on that the National Daycare Study, which in fact focused on some of the very same kinds of interaction in the classrooms and related those things to such things as teacher-child ratio, group size and the training of caregivers.

That is the central issue here. There are a number of others you brought up.

Senator DODD. I want to insert this in the record. There is an article on "Child Care: The issue is not 'if' but 'how'. While there is no one way to raise children, there are certainly ways not to." That is the title of an article by Jay Belsky, whom I know most of you who follow this subject closely are probably familiar with.

Let me quote him to you in this piece here. He says,

> While this "second wave" of research revealed that preschoolers in high-quality programs thrived in daycare, a disconcerting pattern of findings led me to share some widely reported concerns about the development of children with extensive infant daycare experience. Nonparental care initiated in the first year of life for more than 20 hours per week, research seemed to be showing, was associated with high rates of insecure infant-parent relationships.

Which you talked about, Gary—

> And increased disobedience and aggression among children two to eight years old. Even though it remained unclear whether infant daycare per se was the actual cause of these troubling findings, or whether they had to do with the quality of care that babies received at home or in daycare, I felt it my responsibility to share my evolving view of daycare in America.
>
> Nevertheless, on the basis of concerns I raised, many critics of daycare presumed they had scientific evidence to substantiate their beliefs that daycare was inherently bad for children and that only parents could provide adequate care for infants. Given the reality of daycare in America today, I find this line of reasoning remarkably simple-minded.
>
> Consider first that our Nation along with South Africa remains the only Western industrialized country in which the mother can be fired from her job for not returning to work shortly after having a baby.

Well, that is a parental leave issue.

Anyway, he raises some of those same concerns. I appreciate your response.

[Article by Jay Belsky and chart on licensed centers in North Carolina follows:]

COMMENTARY

Child care: The issue is not 'if' but 'how'

By JAY BELSKY

While there is no one way to raise children, there are certainly ways not to.

Ten years ago Professor Laurence Steinberg of Temple University and I wrote a widely disseminated report on the effects of day care on child development. Critical evaluation of the available scientific research revealed little to justify the widespread belief that day care was inherently bad for children, even young infants. In fact, we discovered that, in the case of children from impoverished and often single-parent families, high-quality, center-based care actually enhanced children's intellectual development.

In drawing conclusions on the basis of our analysis, we cautioned that we still lacked knowledge about children growing up in the kinds of care arrangements typically available to families in communities throughout the nation. After all, most research had been done on children enrolled in model, university-based day-care programs.

Since the time of our original report, two major changes have taken place in the science and ecology of day care. First, more and more children, at younger and younger ages, are being cared for by persons other than their parents. By 1987, one of every two mothers with an infant younger than 1 was working outside the home, three-quarters of them on a full-time basis.

Research on day care had also changed, as scientists moved from the university to the community to study children experiencing the kinds of care arrangments typically available in neighborhoods around the country.

While this "second wave" of research revealed that preschoolers in high-quality programs thrived in day care, a disconcerting pattern of findings led me to share some widely reported concerns about the development of children with extensive infant day-care experience. Nonparental care initiated in the first year of life for more than 20 hours per week, research seemed to be showing, was associated with high rates of insecure infant-parent relationships and increased disobedience and aggression among children 3 to 8 years old.

Even though it remained unclear whether infant day care *per se* was the actual cause of these troubling findings, or whether they had to do with the quality of care that babies received at home or in day care, I felt it my responsibility to share my evolving view of day care in America.

Not only did other scientists not share my new reading of the evidence, but they continued to report what I regarded to be an outdated point of view. Reporters who often asked why I was once for day care but now against it totally failed to appreciate the changes that had taken place in a decade's time in day-care research and utilization. Also misunderstood was the fact that neither my original scientific observations nor my more recent ones implied endorsements or condemnations of day care.

Nevertheless, on the basis of concerns I raised, many critics of day care presumed they had scientific evidence to substantiate their beliefs that day care was inherently bad for children and that only parents could provide adequate care for infants. Given the reality of day care in America today, I find this line of reasoning remarkably simple-minded.

Consider first that our nation, along with South Africa, remains the only Western industrialized country in which a mother can be fired from her job for not returning to work shortly after having a baby. Consider next that few reasonably paying, part-time jobs with benefits are available in our national economy and that most occupations are not flexible enough to permit a woman to move into and out of part-time work for a short period of time to accommodate family needs.

Finally, consider the fact that day care of a reasonable quality is beyond the economic resources of many families and in all too many communities is simply not widely available.

Under these conditions, why should anyone be surprised that day care in America poses risks to children? And, under these conditions, how can some not conclude that day care could be bad for children?

Worldwide research on human development teaches two basic lessons about the rearing of children: There is no one way to care for children; there are certainly ways *not* to. What is inherently risky is not permitting someone other than a parent to provide care for a child, even a very young child, but the kind of care that our society seems all too willing to accept.

Despite the fact that children are supposed to be our "most valuable resource," our nation is remarkably ready to tolerate care that may actually place the economic productivity and thereby tax-generating prowess of future adults at serious risk. This would seem to be an especially precarious strategy in a rapidly aging society in which more and more elderly citizens will come to depend upon the productivity of fewer and fewer youthful individuals.

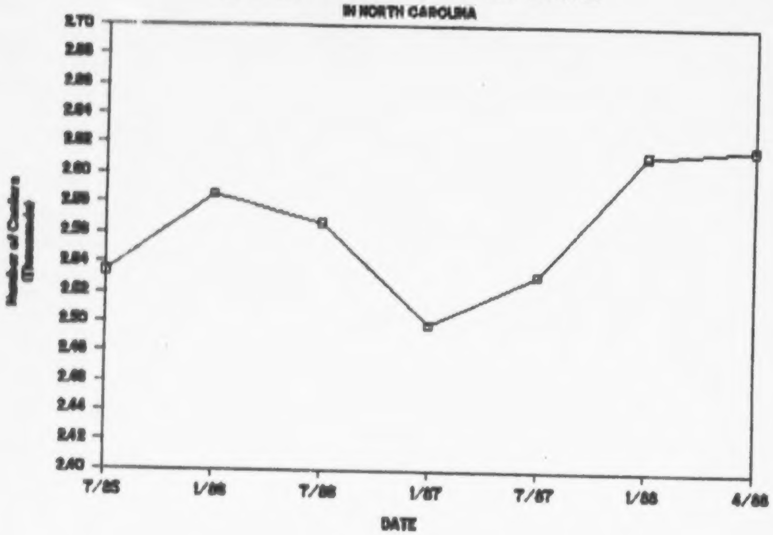
To conclude that day care is inherently bad for children is to throw the baby out with the bath water. To conclude that only mothers can care for baby is to stick one's head in the sand and believe that the idealized family of yesterday is somewhere on the horizon. Our economy is so dependent upon female labor that, if for no other reason, this is surely not the case.

The time has come for America to make a commitment to the future by enacting into law federal legislation that increases the child-rearing options available to families and enhances the quality of day care.

Jay Belsky is professor of Human Development in the College of Health and Human Development, Pennsylvania State University.

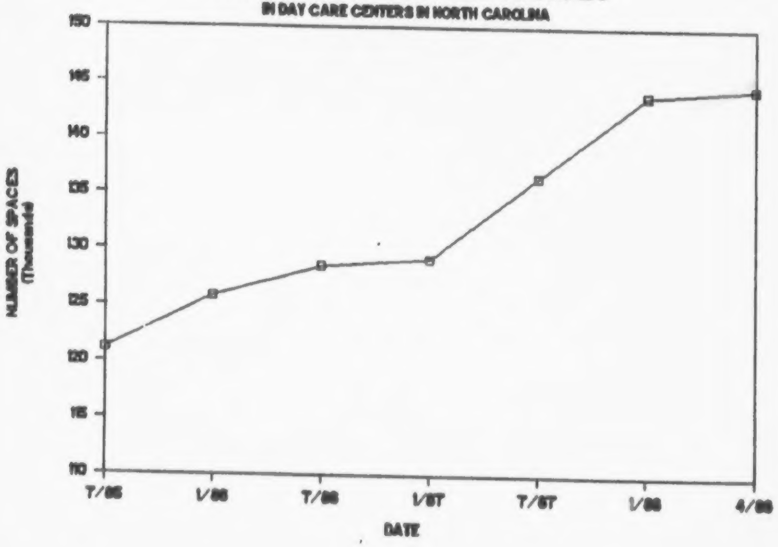
LICENSED CENTERS BY DATE

IN NORTH CAROLINA



NUMBER OF LICENSED SPACES

IN DAY CARE CENTERS IN NORTH CAROLINA



Senator DODD. Mr. Nielsen, if I could jump to you for a second here, I wonder if you might respond to this, because insurance costs are obviously one of the growing costs. We have heard people talk about the cost of the child care providers, the people who work in this field; I think they are still the second-lowest-paid income group in America next to clergy—I guess that would depend upon the church you pray in whether or not that is actually the case, but overall, clergy are supposed to be the lowest paid.

But would some minimum Federal standards, in your view, reduce, or at least stabilize, the cost of liability insurance for child care providers?

Mr. NIELSEN. Any time you would establish standards, I certainly believe that you are going to try to stabilize or keep costs down. It is also going to help reduce the claim cost. The experience level is going to improve the particular risk for that particular account once you have got those minimum standards established.

Senator DODD. So in your view, you would at the very least stabilize costs, and there is even the possibility of seeing premium costs for child care providers reduced.

Mr. NIELSEN. That is possible as long as that experience continues to improve. I mean, if you have got the rate, the experience is good, there is a possibility to get that premium down based on experience.

Senator DODD. How about access to liability insurance with minimum standards? One of the complaints is that providers cannot get insurance. Do minimum standards, the requirement of minimum standards, in your view, increase the likelihood and possibility of access to liability insurance than in the absence of those standards?

Mr. NIELSEN. I would certainly say so, yes, based on at least my perspective from CIGNA's standpoint, I would certainly think that it would allow more insurance companies that want to come into the market to write daycare centers.

Senator DODD. What is CIGNA's experience—and maybe you can comment on others as well—what is the largest problem facing the child care liability insurance system today? Is it the large awards which we hear about, which subsequently boost premium costs, or is it the access to policies?

Mr. NIELSEN. I think it is the awards. I think it is some of the claims that have been submitted on child abuse, sexual abuse, and I believe that has scared off some of the insurance companies from wanting to write this business.

There is a market for this commercial business over ten children. The personalized industry is heavily involved in it from three children and under, but they refuse to recognize that gap between four and nine children, because they feel that is really more of a commercial marketplace.

We at CIGNA have really stayed with ten and above because we are basically a commercial carrier and feel we can loss control that type of business, we can price it appropriately, and really engineer the rest that come along with our standards.

Senator DODD. I realize you are speaking here in behalf of one company, but it is generally the view that your comments about

Federal minimum standards in this area, along those lines, would be supported by the industry as a whole?

Mr. **Nielsen**. I would have to say yes.

Senator **Dodd**. Gary and Dr. Schweinhart, again, I apologize. I thought when we had Dr. Clifford here, and I read your testimony, that it would be kind of interesting to get his comments on your testimonies. I was not trying to be "cute" at all, Gary, and I apologize if I appeared to be so. But I thought it was interesting.

Dr. **Bauer**. Not at all. It gave me a chance to form my rebuttal.

Senator **Dodd**. I thought that as well, giving you that advantage.

I wonder if you, Dr. Schweinhart, might comment as well. There is the New Hampshire study, which I have not personally read, but I gather indicates that in fact there is no difference in the rate of—I do not know whether it was actual cases or reported cases in child abuse—between licensed and unlicensed programs. What is your information on that?

Dr. **Schweinhart**. I am not familiar with that particular study, but I would make an observation, and that is that the nature of licensing in daycare homes is such that I am not terribly surprised when we do not find differences between those that are licensed and those that are not.

The ones that are licensed are licensed for reasons that are not so obviously related to a higher quality. I do not think there is any particular reason to expect them to be in the situation—basically, we have a situation right now where, particularly with daycare homes, the licensing does not lead to any rewards, particularly—although I suppose there is some reward in the education value of learning what the standards are, there are no financial incentives and there are no access incentives, particularly. So why expect them to be particularly better right now?

I think the other question, the issue, though, is under a situation where——

Senator **Dodd**. Dr. Clifford, of course, finds a different result in his study. You heard his testimony?

Dr. **Schweinhart**. What do you mean?

Senator **Dodd**. Well, as I understood it, at least more complaints—five-to-one, I think, was the ratio you talked about.

Dr. **Schweinhart**. Oh, with different levels of licensing, yes. I am talking specifically about daycare homes, in a situation where the majority of daycare homes are unlicensed. It is difficult to compare them directly to centers, where the vast majority are licensed.

But I guess the underlying point is that it is most difficult to argue from the situation as it stands today to what might exist in the future, particularly if there were subsidies attached to licensing, because what happens today is that it is not quite at random, but it approaches that.

Senator **Dodd**. What about the point that was raised earlier regarding the choice in families at the lower economic levels, why they are choosing the unlicensed environment rather than the licensed; is that preference, or is it economics driving that, in your view?

Dr. **Schweinhart**. It is economics—there certainly is a preference, as has been stated, among parents of younger children for daycare homes over daycare centers. I do not think that is too surprising in a lot of ways. But as far as licensed versus unlicensed, I doubt if most people are making that choice. In fact my own experience in looking at the daycare homes, I was pleased to see if somebody was licensed as well, but mostly I was looking for qualities of the environment. There might be some correlation between licensing and the other qualities of the environment, but it would be just that, a correlation rather than a clear distinction.

Mr. **Bauer**. Mr. Chairman, I did not mean to suggest by my remarks that the preference for home-based or family-based care was surprising. The only thing that I thought was surprising was that given that preference, it did not seem to be considered that strongly by policymakers as they debate the daycare issue.

I mean, I do not hear the amount of consideration and concern about that preference for family-based or home-based care in the early years of the child's life as I would expect, given how overwhelming the research data is.

Now, I know that you cannot have everybody come up here to testify, and I certainly would not have wanted to be knocked off the table in order to have somebody else here. But it might be useful to actually hear from some of those inner-city providers and some parents who are using those providers, because I think they would bring a perspective to the debate that I suspect is missing from the hearing today.

Senator **Dodd**. We have heard from some of them in the past, and I can understand why that is the case, and I would not deny that at all. I think there clearly may be a preference in some way. Again, it may be just geographic proximity in a sense. It is obvious a lot of these centers, you have got to get to them—just transportation and so forth. But there is also the notion that you are with people that you know. I do not know if you are aware of it or not, but one of the provisions we added to ABC-2, if you will, is grandparents, aunts, uncles—over 18 and so forth—to try and see that they are incorporated as part of the community of providers in that category. Again, it is not parents.

Of course, there are even studies that suggest that in very low economic situations or single parents, that actually a child care setting is vastly superior in some ways to what the environment is like in those circumstances. So there is nothing axiomatic about these things we are talking about.

Mr. **Bauer**. Mr. Chairman, although your change in ABC-2 takes away one of my best lines about your desire to license grandmothers, I nonetheless think it is a good change, and I commend it.

Senator **Dodd**. I did it just for that purpose.

Dr. **Bauer**. I know you did.

Senator **Dodd**. Ms. Lucas, again, I think your testimony is so interesting. One of the things that occurred to me this morning; as I was listening that did not occur to me last night—is there some relationship—I was intrigued when you talked about the numbers, and I am not sure this was in the testimony that I read—between the number of young people who enter the armed forces under the voluntary program who come from an armed forces background. I think 75 percent was the statistic you cited. Is there some correlation between the standards or the decision to have standards, minimum standards worldwide, including here at home, and the desire to be able to at least attract, from that potential pool, these children who will be growing up to come into the military? Is there some relationship between the military, the Army, and these standards? Do you understand what I am getting at?

Ms. LUCAS. Yes. We do have some research going on, looking particularly at that correlation. But I think our point is more that the soldier is where he is, in what State he is in, or in what country he is in because of where the Government has sent him, and child care, like other amenities that are usually available in the private sector, is one of the partnership agreements that the military has with its soldiers, that we provide a certain level of quality of life that is equivalent to what he would have if he were not in the military.

Senator DODD. One of the things we ask the private sector all the time—and in fact, I asked Ms. King—is did you make a decision to have a child care program or support child care out of the goodness of your heart, or because it was a good business decision; and most answered it was a good business decision and that was the reason it was done.

Have you been able to determine whether or not there is improved productivity? Have you even looked at this issue?

Ms. LUCAS. We are looking at this issue, but foremost, military child care is a readiness and retention issue. One of our recent surveys showed that close to 20 percent of the soldiers who were surveyed had lost duty time in the last several months because of lack of child care. So the impact that that has in terms of forced readiness is just of great concern to us.

Senator DODD. That is another issue we hear from business, the private sector—the lost time. I think there was one recent study that I did not hear anybody quarrel with, that there is a child care crisis once every three months on the average in families. That does not mean they lose it necessarily, but someone does not show up, or the provider is closing down for a couple of days, or whatever—but every 12 weeks or so, there is some sort of crisis or another. And of course, most employees would rather talk about the car, or the plumber not showing up; the last reason they will cite to the employer is my kid, or that the child care program is bad. We do not want to bring that problem to the job. That has been our experience in testimony we have heard.

Ms. LUCAS. On the other side, the retention issue, as I mentioned, we are finding that it is the family members who have a significant say in whether or not a soldier decides to re-enlist, and as more and more of our spouses are working, the fact that she has adequate child care is a big factor in whether or not they decide to remain in the service.

Senator DODD. Again, those are all pertinent questions. Is that an ongoing study right now?

Ms. LUCAS. Yes.

Senator DODD. How far along are you with the study?

Ms. LUCAS. It is over a three-year period, from what I understand.

Senator DODD. Is it far enough along that you see some patterns clearly developing, and you are going to be surprised if you end up showing some different numbers?

Ms. LUCAS. I do not think so. As we all know, it is very difficult to get hard data in terms of these links. So we are looking at employment trends and reasons given for re-enlistment, or in fact choosing to leave the services.

Senator DODD. Is this one of the major reasons in re-enlistment, child care? How does it rate, in other words, when you list them? I presume you list them——

Ms. LUCAS. I am not aware of that.

Senator DODD. Okay.

Ms. King, you heard me ask the question, and I did not want to put words in your mouth, but did Hallmark make the decision to move directly in this arena for business reasons?

Ms. KING. Yes, we did. As we looked at it, we felt that within our community, Hallmark can be a leader, and we also know that it is an area that is of great issue to our employees, and keeping employees is important to us, too. So very much it was a business issue.

Senator DODD. And again, not speaking so much for yourself, but if you could speak for the corporation at this particular point, is it a decision that in retrospect is one that was well-received? Was it considered to be a good business decision?

Ms. KING. It definitely is considered to be a good decision, and we feel that our resource and referral was a starting point. So it is a decision that we are consistently looking at. I am chairing a Work and Family Task Force, and so we are broadening the issues that we are looking at.

Senator DODD. I noticed you cautiously avoided endorsing any specific proposal here before the Congress. There are so many kicking around, you could throw darts at them, I suppose.

Ms. KING. And ABC-2 is so new, I will have to give that——

Senator DODD. Are you a politician—you are ducking this one.

Ms. KING. We will give it careful consideration, Senator.

Senator DODD. Good. We would like to hear your comments on it, as we do from all people who go over all of this.

Ms. KING. We will.

Senator DODD. There may be some additional questions that will come from other members, and I will end this on the note that we began. I think all of us would ideally like to see a situation, I suppose, where parents could be primarily responsible here. In the absence of that, we are going to need some sort of child care program. What one makes sense, and how do you support it intelligently—all of you have contributed significantly to that discussion here today.

I apologize for the late hour. It has been almost six hours since we began discussing this issue, but it is very, very helpful. This is going to be ongoing over the next few months, to say the least, and we would like to have your continued input and involvement in that debate and discussion. I think if it is done with the notion in mind that we need to move in this front and do so intelligently and thoughtfully, then I think we can come up and make a very good decision that will be helpful; we are not going to solve all the problems, and unfortunately are not going to, Mrs. Snead, as you sit back there, guarantee that what happened to your family would not happen to someone else—no one can promise that. But to the extent that we can minimize that kind of a situation occurring, I think, that is something all of us would like to participate in.

So I thank all of you, particularly you, Gary, for being the final witness in the final panel, for staying around as long as you have. We look forward to your continuing involvement in this issue.

[Additional material supplied for the record follows:]

SERVICE EMPLOYEES
INTERNATIONAL UNION, AFL-CIO, CLC
1313 L STREET N.W. • WASHINGTON, D.C. 20005 • (202) 898-3200

JOHN J. SWEENEY
INTERNATIONAL PRESIDENT

RICHARD W. CORDTZ
INTERNATIONAL SECRETARY TREASURER

STATEMENT OF

SERVICE EMPLOYEES INTERNATIONAL UNION, AFL-CIO, CLC

BEFORE

THE HONORABLE CHRISTOPHER DODD

CHAIR
SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS, AND ALCOHOLISM
COMMITTEE ON LABOR AND HUMAN RESOURCES
U.S. SENATE

ON

"THE ACT FOR BETTER CHILD CARE SERVICES OF 1989"

SUBMITTED BY:

JOHN J. SWEENEY
INTERNATIONAL PRESIDENT
SERVICE EMPLOYEES INTERNATIONAL UNION

I would like to thank Senator Dodd and the other members of the Subcommittee on Children, Family, Drugs, and Alcoholism for this opportunity to present testimony on a matter of daily concern to working people--the shortage of quality affordable child care. On behalf of the 850,000 members of the Service Employees International Union, I would like to express appreciation of your efforts to move ahead on the work and family front--including action on a comprehensive federal child care policy.

SEIU members work in the rapidly growing service industries where low wages and few benefits are becoming the norm. Working Americans, especially those earning moderate incomes, will benefit greatly from a comprehensive child care policy as they struggle to meet the often conflicting demands of workplace and family. We view child care as part of a package of work and family measures--including parental leave and restoration of the minimum wage--which will bring greater security and stability to America's working families.

SEIU has lead the way in championing the work and family agenda within the AFL-CIO as well as in state houses and on Capitol Hill. We have negotiated new benefits to help our members cope with the work and family balancing act. SEIU believes that effective national child care policy, parental and medical leave, and restoration of the minimum wage are not benefits to be doled out by employers as it suits their needs but rather are basic rights that should be guaranteed to all workers.

The dramatic economic changes of recent decades have led to stagnating real living standards. Working families have been saved from financial disaster by the increasing labor force participation of women. Yet American families have been left to cope with these changes on their own. Since President Nixon's veto of national child care legislation in 1971, child care has not received the attention from federal policymakers that it deserves and demands.

To be effective, national child care policy must address the problems that exist--quality and affordability. Financial assistance must be targeted at low-income families and must be linked to minimum standards ensuring quality child care for all. The Dependent Care Tax Credit returns an average benefit of $372--about one-tenth of the typical annual child care bill. Those who need it most--the working poor--receive no benefit because they don't earn enough to pay taxes. We must not allow deficit hysteria deter us from making this long overdue investment in our children--the workforce of tomorrow. The $2.5 billion price tag on the ABC bill is a drop in the ocean in contrast to the budget-busting bailout proposed to save the thrift industry from corruption and deregulation.

Difficult fiscal straits require us to make certain that precious taxpayers' dollars are not used to subsidize an expansion of substandard care by enacting minimum federal standards. Federal action is needed to end the crazy-quilt pattern of state regulation. For example, in at least one state, a single provider may care for as many as twelve infants while other states set the maximum ratio at three-to-one. Unfortunately, in the wake of the failed attempt to establish model federal child care standards through Title XX during the Carter Administration, many states followed the federal retreat, weakening or eliminating licensing requirements. There is overwhelming public support for federal safety regulation from autos to food and drugs, but it's still true today in most states that anyone can put up a sign at the local supermarket offering child care services.

As is the case with any service, the key to quality is a well-trained and motivated workforce. Unfortunately, current compensation levels in the child care industry send the wrong signal--motivating teachers and aides to switch careers. In 1987, workers in child care centers averaged $153 per week--well below the poverty line. In view of this, another statistic from the BLS isn't surprising--nearly two-thirds of this workforce has been in the field for less than three years (overall only a third of the nation's workforce has a similar length of tenure). Employer-provided in-service training along with training and support programs for family day care providers are needed to guarantee that child care is both a safe and enriching experience for children. But the investment in training will be squandered unless we can raise compensation levels enough to retain the workforce. Child care workers earn two-thirds of what women in other fields with comparable education make.

Our Local Unions have negotiated a wide variety of child care benefits. These examples show that both employer and employee can benefit.

Consider the agreement reached by Service Employees Local 347 and two other unions with the Los Angeles Department of Water & Power. Even though the workforce was less than one-fifth female, the careful start-up survey showed extensive concern with child care problems. The benefit program will cost an estimated $200,000 per year and provides reserved and subsidized slots at local centers as well as special services for sick children. Because the DWP estimated an annual loss of $1 million from child care-related absenteeism, the program is judged to be a money-saver.

In New York, state employee unions, including SEIU, have joined with state government to establish a statewide system of 34 centers serving over 2,000 children. The centers are supported by parents' fees, charged on a sliding scale. They serve children from eight weeks of age and are open from 6:30 a.m. until midnight.

In spite of the progress SEIU locals have made in addressing the child care needs of their members, we believe that the issue reaches far beyond the collective bargaining context. The provisions of the ABC bill are only a minimum which should be a guaranteed right of all working parents. Increasing the availability of quality child care will bring improvement in the daily lives of workers, enabling them to be better workers and better parents.

The results of the High/Scope Perry pre-school project are well-known--that for every dollar invested in high-quality pre-school education society realises benefits equal to $4.75 because of improved school performance, reduced delinquency and higher earnings. The federal government does not always have the opportunity to make such a good public investment as is the case with a comprehensive child care policy.

Senator Dodd. Again, I thank you for being here, and the subcommittee will stand adjourned.

[Whereupon, at 2:45 p.m, the subcommittee was adjourned.]

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